NEW SERIES—NO. 13.

SELECTIONS FROM THE RECORDS

OF THE OFFICE OF THE

FINANCIAL COMMISSIONER, PUNJAB.

Published by Authority.

No. 39.

CONTENTS.

MR. E PRINSEP'S SETTLEMENTS, 1863-1870.

Lahore:

THE "CIVIL AND MILITARY GAZETTE" PRESS.

Contractors to the Punjab Government.

1889.

SELECTIONS FROM THE RECORDS OF THE FINANCIAL COMMISSIONER'S OFFICE, No. 39.

No. LXVII.—PRINCIPLES OF THE ASSESSMENT.

No. 171-2, dated 7th June 1871.

From—E. A. Prinsep, Esquire, Settlement Commissioner, Punjab,

To—The Secretary to Financial Commissioners, Punjab.

In continuation of my No. , dated , I have now the pleasure to forward the accompanying papers containing the statistical information required regarding the new assessments of Amritsar Division :—

(1) Map showing the assessment circles.

(2) A synopsis of financial results.

(3) Three tabular statements A., B., C. showing the reasonableness of the assessment under different points of view.

(4) Statistics of circles as contained in No. V. Form and showing revenue rates in in each for—

Gurdáspur.
- Pargana Pathánkot.
- " Shukurgarh.
- " Gurdáspur.
- " Batala.

Amritsar.
- " Amritsar.
- " Tarn Tárn.
- " Ajnála.
- Also pargana Raya now in Siálkot.

(8 returns in all).

(5) Statistics of circles in No. IV. Form, (showing revenue rates) and Mr. Saunders' Report in original for—

Siálkot.
- Pargana Siálkot.
- " Zaffarwál.
- " Duska.
- " Pasrúr.

(Raya Parganah being above).

(4 returns).

with (6) *Note* by myself explanatory of the principles pursued in assessment and of the mode in which the new revenue rates were fixed.

2. In Siálkot District the reports of Settlement Officer in each Circle are sent in original.

3. For Gurdáspur and Amritsar Districts I send the statistical information in form of a general abstract, or No. V. form for each pargana. They will give you all the information you require.

4. As I have been requested to send these papers to Simla without any further delay I regret I have not been able to write in my remarks in the No. IV. Forms, as I had wished to do. To be of any use at all I should have had to record these remarks in full for close upon 50 circles. This requires time; they could not be hurriedly written, and it is as much as I have been able to do to furnish these papers, applying my whole time to them for the last eight days.

5. But as the Financial Commissioner has required the present information to enable him to understand (1) in what way the new revenue rates were eliminated, and (2) how far these assessments may be deemed to be fair and sufficient, it appeared to me the same purpose might be attained if I put on record, in the form of a memorandum, the principles pursued by us in the new assessments. I have therefore submitted the accompanying note which I trust will be found to give the information required. It is there explained how the new revenue rates were worked out and accepted, with the aid of the produce estimates, which represented a fair jama at full revenue rates.

6. I have also taken the occasion to point out many of the considerations that have guided us in the fiscal conclusions arrived at, not only in the three districts of Amritsar, but of the three other districts Gujránwála, Gujrát and Lahore. As regards the latter, my remarks will be found chiefly in the synopsis and three tables A., B., C.

7. I have to express great regret for the time it has taken me to submit the statistics even in this shape. It is not an easy matter to explain briefly and clearly the causes and arguments, or to recount the procedure adopted in all its details which have led or enabled us to fix the new assessments of so many districts, the operations of which have extended over several years, at least it was not easy to do this correctly under stress of time, when I have been till the last ten days overwhelmed with judicial work. But though hurried and pressed, I have done my best, and I trust the information rendered will serve the Financial Commissioner's purposes.

8. The three tables (A., B., C.,) are intended to show that the new assessments in all the six districts are reasonable, when regard is had (1) to the fact that we have had to put in force the new standard of half instead of two-third assets; (2) to the existing rent rates, when viewed in the proportion of what we ought to take under the *batai* or grain calculation; and (3) to the discovery that we have assessed considerably above the prevailing rates paid for rent in money; for as a matter of fact, a very large area of land is held in terms where the proprietors do not receive any approximation to the margin of profits at half assets, which we profess to allot to them under our system of money settlement, we can scarcely admit then that we have been too lenient in this point of view.

9. I enclose a map of Amritsar Division, as it may help you to understand the general features of the country, and the fiscal arrangements described in the *note*.

10. The map and No. IV Reports of Siálkot are *original* papers; no copies have been made out; a further delay would have occurred. I beg then, that great care may be taken, as I shall require them again as soon as Financial Commissioner can spare them. Indeed, I rely mainly on these papers for my Final Report on Siálkot District.

E. A. PRINSEP.

P. S.—In further illustrations of the mode in which the new revenue rates have been deduced, I enclose a printed specimen of Assessment Report of Deriwala Circle, in Gurdáspur district, with manuscript remarks recorded therein by myself as an exemplar.

Note on the principles pursued in the Revised Assessment of Amritsar Division and other Districts.

The object of this paper is to place before the Financial Commissioner, in a succinct form, the mode in which the new assessments were effected, the principles which were pursued, and the causes which have operated in producing the financial results as they stand.

This information can be most appropriately given under three heads—

I.—The nature and extent of data relied upon.

II.—The procedure pursued in assessment.

III.—The advantages and effect of the system.

I.—*The nature and extent of data relied upon.*—At last settlement the country was divided into assessment circles, arranged according to fertility and capabilities: we have taken these in their integrity as the basis of our system.

The former statistics were then brought together into a convenient form, and have been considerably added to. The whole are grouped together in one statement for each village. The revenue survey map is inserted by its side, and the whole bound together in volumes arranged according to these circles. These are called the "*village note books*" and contains an immense mass of notes and valuable information recorded in English by the assessing officers.

From these the statistics, arranged under heads of area, resources, working and pressure of former settlements, are grouped together and totalled for each circle; former and proposed estimates and rates are then worked out and shown; and the two Forms Nos. IV. and V. which contain the information thus brought to a focus afford every facility for enabling assessing officers to form a deliberate judgment as to an equitable assessment for the future.

Then we have found it desirable to arrange these circles into zones of fertility, showing how far they are influenced by low or high position, by gradations in depths of well, and by variations of rainfall. Water being the chief element of production, facilities for obtaining it in constant or indifferent supply become a matter of vital consideration. Indeed, the valuable information obtained under this head, when looked into deeply, will be found to have operated largely in inducing us to adopt the plan of assessment which has been adopted.

It has enabled us to institute an effective examination into the comparative capabilities of production, to discover discrepancies of rating, and to remove many causes of inequality

of assessment that might have escaped notice, when we come to deal with each section of country, circle by circle.

Early in our inquiries it came under observation that the districts of Amritsar Division were greatly advanced in cultivation. There were few circles that were not fully cultivated, many being advanced as much as even 80 and 90 per cent. of the total area. This information has been duly noted and exhibited in a map; and that the future capabilities for expansion of area might the more easily be ascertained, the villages have been arranged into such as are (i) fully cultivated, (ii) fairly cultivated, (iii) not fully cultivated or backward. Much help has been derived from this further classification; for it indicates at once those tracts which can only improve under the two conditions of prosperity, *viz.*, increase of irrigation and growth of better staples—conditions which will come into effect more in the future than they have in the past.

II—*Procedure of Assessment.*—I now pass on to describe how the revenue rates have been worked out.

Great care was taken to obtain full information from the District Office and from officers employed in the collection in regard to the working of past assessments, the balances that had accrued, the changes that had occurred, the villages that had prospered or deteriorated, and the causes operating thereon.

The various processes described in Siálkot Report, paras. 192 to 253, were more or less put in force to help proper conclusions being formed as to the fairness of the existing and the just requirement of a future assessment, circle by circle.

Produce estimates were made out with as much care as possible for each circle separately. Prices current for 30 years were collected from many sources in each district separately, and an average struck, which was estimated to deduce a fair standard, having regard both to the prices which had prevailed since British rule (*viz.*, during the period when money settlements had been in force) and to the rapid rise of value which was likely to result during the next 20 years of railways, and future development.

Generally it has been found that prices of agricultural produce have risen from 50 to 80 per cent. during the last 20 years, still it was observed that, looking through the years of high prices, the operating cause in the past period has been as much due to droughts as to great value in land and produce effected by railway and improved communications. It is quite correct to say we shall never return now to the low rates when wheat was selling at from 60 to 90 seers for the rupee; but for all that, we have to remember that these droughts are constantly recurring. Statistical enquiry shows that famines recur ordinarily once in 20 years. We have had two such periods within the last 20 years, and on each occasion the revenue-paying power of the country has been thrown back at least three years whenever they have occurred.

It has therefore been held to be safe looking to past facts and future probabilities, to take an average of from 32 to 40 seers, as the standard for wheat, if we wish to keep clear of all contingencies. This is about the average deduced, looking at the rise that has occurred in three periods of ten years that have passed, counting 30 years upwards from 1864-65, when the new assessments were given out:—

FURTHEST 10 YEARS.	Price of			SECOND 10 YEARS.	Price of			LAST 10 YEARS.	Price of		
Year.	Wheat.	Maize.	Rice.	Years.	Wheat.	Maize.	Rice.	Year.	Wheat.	Maize.	Rice.
1835-36 ...	93	102	22	1845-46 ...	46	63	14	1855-56 ...	60	80	20
1836-37 ...	87	105	24	1846-47 ...	42	58	11	1856-57 ...	24	18	16
1837-38 ...	90	80	9	1847-48 ...	55	65	18	1857-58 ...	41	60	12
1838-39 ...	48	52	12	1848-49 ...	66	50	16	1858-59 ...	44	75	12
1839-40 ...	47	50	13	1849-50 ...	48	42	12	1859-60 ...	42	80	12
1840-41 ...	45	56	15	1850-51 ...	55	82	13	1860-61 ...	22	12	10
1841-42 ...	50	103	16	1851-52 ...	93	117	20	1861-62 ...	18	18	8
1842-43 ...	87	115	16	1852-53 ...	93	106	15	1862-63 ...	27	50	8
1843-44 ...	87	115	18	1853-54 ...	42	50	17	1863-64 ...	30	60	7
1844-45 ...	48	50	20	1854-55 ...	45	60	18	1864-65 ...	33	50	7
Average ...	68	82	16	Average ...	59	70	15	Average ...	34	50	12

Prices since 1865-66 have continued rising, it is true, but they are quite abnormal and due to famine influences. It is not likely wheat will be selling often as high as 11 or 19 seers. It fell to 18 last year, and this year has gone down to 30 seers; in some places to a maund; so these last few years cannot and should not afford a criterion. With most corn-dealers and merchants the belief is that, though corn will often sell in future years so high as from 20 to 25 seers, the average selling price will bring to the producer, about 35 seers, and might in some years go down to 40 seers. We have therefore kept our produce rates near to this average.

Year.	Wheat.	Maize.	Rice.
1865-66 ...	19	40	6
1866-67 ...	22	36	7
1867-68 ...	19	36	7
1868-69 ...	11	11	6
1869-70 ...	11	20	4
1870-71 ...	18	40	16

But though these rates show the rise in prices may be put down to a range between 50 to 80 per cent. during the last 20 years, it is equally certain that the cost of cultivation has in many aspects also increased about and above 50 per cent.; laborers' wages have been from two to three annas a-day; price of oxen from Rs. 20 to Rs. 40. Many things have now to be paid

for which formerly required little or no payment—such as manure for the field, fuel for the brick kilns, to make wells. It is fair to place this item of consideration as a set off, being an extra cost to the producer of Rs. 30 now for every Rs. 20 spent formerly.

Then as regards *rent*, which is what we have to base our calculation chiefly upon. The improvement has not been so great during British rule, looking at it in its natural conditions, *viz.*, as income actually derived by the proprietor from land made over by him to a tenant, taking all seasons, good and bad into consideration, for the payment of revenue in which the proprietor alone is responsible. The *batai* rates are found to be the same now as they were 20 years ago in hundreds of villages, although land has been improved and has a greater selling value. Great stress is often laid on this fact, which strikes every one in these days, the extraordinary rise in the value of land. But this may be, and I believe is considerably due to the increased security afforded by our rule, certainly it is more attributable to this, as far as my enquiries go, than to any difference in the value derived by a marked rise of *rents*.

So, too, money rents. At commencement of our rule they were quite uncommon. They were introduced chiefly at last settlement. Proprietors were encouraged to arrange with their tenants for payment at jama rates in cash, with only a small rate, usually from 10 to 14 per cent. over these rates, as malikana. In many villages no "malikana" was provided. Thousands of acres were held without the payment of anything, as profits over and above jama to the population, although the latter were alone responsible for the revenue. Then another cause operated seriously to prevent the growth of rents. The Punjab Civil Code prohibited enhancement against tenants having rights of occupancy during term of settlement, a provision which has no legal sanction in any other province, and which has seriously prevented the classes responsible for the revenue from obtaining their share of the profits from the land which we benevolently believe is obtained by them when we fix our revenue of standard on the ⅔rd or even half asset principle.

Financial Commissioner's Circular, No. 16, dated 11th May 1852.

At the old settlement it was even laid down by an order of the Financial Commissioner of the day, that only 26 per cent. was to be fixed over and above the jama—14 per cent. was for the usual cesses leaving 12 per cent. as allowance to the proprietor for his profits claimable from money-paying tenants. At the new settlement we tried to rectify this, but the utmost the parties would give and take rose to 20 and 30 per cent. only above jama, and exceeding this rate only rarely here and there in specially good lands. Thus taking the higher rate of 30 per cent. as against 12 formerly received, we find a rise only of about 18 per cent. in the money-rents paid ; and this is about the usual rate of increase observable in all the districts of the Amritsar Division.

Thus then taking from 50 to 80 per cent. for rise in prices—50 per cent., say, for increased cost of cultivation, and 14 to 18 per cent. as rise in money-rents, while *batai* or grain rates seem to have remained pretty much as before—it seemed to us that 20 per cent. only would represent a *fair mean*, for a standard of increased values, say for the next ten years at any rate ; and if we then take a progressive jama after the ten years, and assess water advantages, whether derived from wells or canals, in a way that would enable us to get an ever increasing revenue in the future, we ought to obtain a sufficient increase by our assessments for the next 20 years.

Having then worked out the produce estimates, we had to remember that the new rule of 50 per cent. instead of 66 per cent. of net assets had to be put in force. Our orders were to give effect to this lower standard of assessment in the Punjab in the same way as had been done in North-Western Provinces.

The first matter for inquiry then was "on what principle had the revenue rates been fixed at last settlement ?" It was clear that if they had been calculated on the ⅔rd asset rule, they would have to be reduced 16 per cent. to reduce to ½ asset. If the enquiry was based on an assumption of ¼th gross produce, then we should have to reduce to ⅙th, which would be equal to taking off 9 per cent. By either process the first thing that faced us was a general reduction.

It will be seen here that I assume ⅙th of gross produce to be almost equal to the amount that would agree with the half net produce principle. The fact is, we had no means of discovering in any reliable way from looking into existing money rents paid what represented the revenue rate deduced therefrom. The jamabandis were of no use, indeed contained no such information. At last settlement enquiry of this kind had to be abandoned in most districts. A share of the gross produce was assumed to represent the fair share of Government. In all three districts ¼th of gross produce was fixed. With the aid of this measure revenue rates were eliminated.

But from para. 244 to para. 250 in Siálkot Report, it will be seen how it was argued that ¼th was a great deal too high. In going through the *batai* rates prevailing, and after allowing for 'expenses of cultivation," it soon became apparent that if we wished to reduce any standard of assessment to the 50 per cent. range of net profits so as to agree with the facts, the only share that would give us this with any approach to safe conclusion would be ⅙th instead of the old ¼ rate.

The various *batai* rates were found to be in—

Gurdáspur	at $\frac{1}{2}$,	$\frac{2}{5}$ and $\frac{1}{3}$	
Amritsar	at	$\frac{2}{5}$ and $\frac{1}{3}$	here and
Siálkot	at	$\frac{2}{5}$ and $\frac{1}{3}$	there $\frac{1}{4}$.

and these rates represented what might be considered to be the nearest approximation to the proportion of the gross produce that indicated net profits in the Government share, and the proprietor's share. As under the 50 per cent. rule half of these rates would go to the proprietor and half to the zemíndár, it became apparent when we went into the calculation that these rates would give $\frac{1}{5}$th, $\frac{1}{6}$th and $\frac{1}{8}$th as the share of gross produce Government would be entitled to, provided the proportion deducted for "expenses" under each of these systems of *batai* ranged about the same figure. In actual practice it was discovered they did not, in poorer tracts and generally throughout tracts largely irrigated, the items of expense increased and so took a larger deduction from the gross produce.

But as an average and as likely to meet most cases, $\frac{1}{6}$th was accepted as the *fairest and safest proportion*; so as to give us a rule wherewith to obtain from the produce estimate a standard rate agreeing nearly with the 50 per cent. net profit principle. So this is the rate that was adopted, and the above the reasons for adopting it.

Annexed I give three statements (A., B., and C.) which are intended to show the reasonableness of the new assessment as gauged—

(1) by the 50 per cent. rule corresponding with $\frac{1}{6}$th gross produce;

(2) by the existing rates of rent (*batai*);

(3) by the existing rates of rent in money.

Now having explained how the produce estimate gave us a standard at half net profits, I will proceed to explain how the new revenue rates were fixed. First of all, rates by classes as adopted at last settlement were found to be quite unnecessary. They have not worked well anywhere: they were never followed by the people in their distribution of the Government demand among themselves; they scarcely ever agreed with the rating pursued in the villages; they multiplied labor, and when applied even to the old areas of circles, did not produce the revenue rate jamas, then accepted, so these were abandoned.

Then it was found that the old rates very often were not acted upon, *i. e.*, the jama actually fixed for the circle fell considerably below the rate standard. In such circles the old rates had to be reduced in the same proportion so as to agree with the accepted jamas before we could get at reliable rating to compare with.

Then it was found that in most circles in the two Bári Doáb districts (also in some parts in Siálkot) the irrigated rates were charged at so much per acre on the area declared in the statistical returns to be irrigated at last settlement. Now this area was very largely exaggerated by the patwárís, very often even whole tracts. These areas when distributed over the number of old and new wells (new since last settlement) fell at the rate of 30 and 40 acres per well; when it is well known that ordinarily in these districts no well can, on an average, irrigate more than from 18 to 24 acres. The excess area then had been surcharged by the old chahi rate.

Then often it would come out in our enquiries that this *cháhi* rating per acre fell excessive in some villages, entered in the first class; and, perhaps, too low in third class estates; the villages happening to stand side by side and in the same zone of irrigation capacity as tested by depth of well, rainfall, and good or bad supply in the springs; there was no earthly reason why one or the other style of villages should be thus rated for water advantages which may have been obtained and maintained at equal cost, at two such extreme rates as Rs. 3-12-0 in the one and Rs. 2-2-0 in the other per acre, the conditions of things being the same in both.

But this was not all; the former plan of charging at *cháhi* rate per acre, without any systematic arrangement of villages according to depth of wells, led to another grave evil. It not only had the effect of taxing capital inordinately, but of producing great inequality of assessment; the more so that all old wells existing up to the settlement were brought under taxation, while all new wells, or wells entered immediately after settlement could remain exempted from payment for water, and thus those who had been foolish enough to improve before settlement, often had to pay a double and treble rate over the unirrigated, while those who had been lazy in the past could make any number of new wells after the settlement and enjoy a jágír for a whole generation. People spoke of this inequality, and certainly it was indefensible.

I found there was an old order of Government enjoining that at the revised settlement steps should be taken to rectify this, particularly in order that all land so improved by irrigation under private enterprise might be subjected to a more equitable system of assessment, that would encourage the outlay of capital for the future.

To avoid these mistakes, it was thought desirable to introduce a plan of assessing all lands irrigated from wells, that would encourage the construction of wells and yet impose an assessment on the new wealth created by water justly and equally on all alike. This desire has led to the adoption of the *ábiána* system, *viz.*, a fixed rate for an average well calculated according to range of depth, and the average area of land it can water in

a fair season, and yet so light as to be felt to be light by every body, so that being fixed for the term of settlement all wells may be charged alike, *viz.*, those that are in existence, and those that may be constructed hereafter.

As an illustration of the plan, let us take a circle in Batála Pargana where the depth of well is 25 feet, the rainfall 30 inches, the average area watered 20 acres, the springs good, say the circle was rated at last settlement at an average (rates for 2nd class villages) Rs. 3 for *cháhi* and Re. 1-10-0 for unirrigated. The fair rate for water was a charge of ⅝ths over and above unirrigated, say Re. 1 an acre, for 20 acres would give Rs. 20 as *ábiána* for the well. This would give at Re. 1-10-0 for land under the well in its unirrigated aspect, and Rs. 2-10-0 when the *ábiána* was put on at the rate of Rs. 20 a well that watered 20 acres in the year. In such a case then Rs. 20 would be adopted for "well *ábiána*" but as this would give a reduction of 4 annas an acre as compared with the old *cháhi* rate, the unirrigated rate has been generally increased, say it would be Re. 1-12-0 future compared with former rate. In this way the inequality is removed, a lighter rate is imposed on lands brought under irrigation by private enterprise; and the unirrigated rate being adjusted over the whole of the cultivated land as unirrigated, revenue rates are easily deduced agreeing with the produce estimate at one-sixth, which we have accepted as our standard.

Once the *ábiána* rate on wells is fixed in an average tract, it is easy to adjust it by a sliding scale to the requirements of any circle, having a regard to rainfall, depth of well, spring supply and such like considerations which go to represent capacity of irrigation; and once the sliding scale is fixed, it can be applied to any part of a Doáb or districts thus—

	20 feet.	*25 feet.*	*30 feet.*	*40 feet.*
Where rainfall was 30 inches	Rs. 20	Rs. 18	Rs. 16	Rs. 14
,, ,, 24 ,,	,, 20	,, 17	,, 15	,, 13
,, ,, 20 ,,	,, 18	,, 16	,, 14	,, 12

By the application of these *ábiána* rates to the number of wells in use, old and new, we obtain that part of the land revenue which represents the tax as irrigation from wells.

There remains the unirrigated rate; instead of this rate being fixed and charged to the land entered simply as unirrigated land, a rate is deduced after looking at what is given by produce estimate at one-sixth share of gross produce; and after weighing the fiscal requirements of the circle as indicated by other estimates, such as plough estimate, valuation of Chaudhrís, Tahsíldárs and assessing officers who have made their notes of each village, which shall give an equitable jama. This rate then is applied to the *whole of the cultivated* area treating the whole as unirrigated; the result added to the result obtained by application of well *ábiána* rate to all the wells of the circle, gives the revenue rate jama.

In this way fair revenue rates are easily deduced, and as they are applied to the *whole cultivated* area as an unirrigated area, and to all the wells alike for our standard jama, I find we obtain a mode of assessment that at once gets rid of all elements of inequality. These and the produce rates for each circle are then by a *bach* process applied to each village of that circle. Plough rates are also worked out and applied in the same way, and for all practical purposes we find a very facile and efficient system is attained. If individual villages are better or worse than the average, all the other estimates are at hand—produce, plough, Chaudhrí's and Tahsíldár's valuations, besides the mass of valuable information collected by assessing officer in his note-books, to enable him to decide how for above or below the standard given by revenue rates and produce estimate, the two taken together, he shall fix his new assessment. The system has worked admirably as far as we have gone.

In the same way a new principle has been introduced which has received the sanction of Government of assessing canal-irrigated lands by an acreage rate over and above the unirrigated rate. This is called "the water advantage rate." At the last settlement on the villages watered by the Huslí, it was, and still is, the practice generally, I believe in North-Western Provinces to include the charge for canal-irrigated lands as one lump sum in the jama fixed at settlement. How to arrive at a correct estimate of area it is impossible to conceive; one year they may take more, the next less water, the area will fluctuate, and yet the assessment has accepted a particular area as irrigated and charged it a *nahri* rate (at the same principle as the *cháhi* would be apt to get exaggerated) as a fixed quantity. It is not difficult to see also how many evil consequences must result from such a system (1) uncertainty leading to great inequality; (2) a tendency to exaggerate the area, and thus to over assessments; (3) or if the area was moderately returned, to loss of revenue; (4) while some men were being rated for 30 years, who might find themselves unable to keep up the area irrigated from year to year, others who take water, say two years after new settlement, would pay only at unirrigated rates, and enjoy a jágír for a generation.

To obviate such inequalities and prevent great loss of future revenue it has been decided not to include the water assessment as part of a fixed jama given for years, but to fix a water advantage rate per acre, which will be paid by all alike, *viz.*, those who have taken water hitherto and who may take it hereafter. These rates have been calculated with reference to profit capable of being realized over and above the unirrigated rate, but having regard to the fact that the same margin of extra profit due to irrigation, the landholder has to pay a separate class of water rates for the *use of the water to* the Canal Department, as those rates are varying according to crops, it has been deemed to be prudent to assess this

extra land revenue by an uniform rate in tracts that lie within certain advantages of rainfall, all down the Doáb. They range from Re. 1-4-0 an acre in Patbánkot to Re. 1 in Amritsar, and Re. 0-12-0 in Lahore. As the area under the canal is likely to increase from year to year, and particularly when the monsoon supply can be brought down the new branches of Bári Doáb Canal, it is anticipated that this source of fluctuating land revenue, will greatly increase. It is estimated from three lakhs as now realized to at least six lakhs a year within the next ten years.

Thus, then, owing to these great changes in the mode of assessment, it may be understood that the new revenue rates and old rates are things that can scarcely be compared, there being so many considerations that come in to weaken the application of the old rates to present circumstances; still the old and new rates are given side by side in the Nos. IV and V Statements, and every endeavour has been made to keep as close to them, or in excess of them, as the altered system of assessment will admit of.

REDUCTION FOR HUSLI IRRIGATION.

Pargana.	*Abatements.*
Batála	6,658
Gurdáspur	5,490
Pathánkot	5,069
Total	17,217

It may be stated here that in the parganas noted in the margin under the altered system of water advantage assessment some Rs. 17,000 had to be taken off the villages watered by the old Husli, in order to admit of the new acreage rate being applied. From the land revenue then a sum equal to the above had to be reduced, thereby lowering jáma to that extent, which again is charged for in the Rs. 1,17,000 shown in the synopsis accompanying (head 20) as new jama derived from canal in Gurdáspur District.

It will thus be seen that our system contemplates two modes of revenue assessment:—

(1) *Fixed* for land revenue on the whole area cultivated, treating it as unirrigated area.

(2) *Fluctuating* for water revenue which now or hereafter will be derived from lands irrigated either by *wells* or *canals*. As respects the *first and second* the new assessment in Amritsar *initially* came out much about the same as before with only a nominal decrease. As respects the *second*, there will be a considerable increase after ten years, and the future revenue derived from water will always be on the increase, and thus elasticity of land revenue receipts combined with great equality of assessment, is given to the country.

The reasons why in Amritsar Division the *initial* assessment appears to be insufficient are easily explained.

Firstly.—The old settlements had stood only for *ten* years, the first *four* of which they had scarcely recovered from previous over-assessment. All over the Punjab the first money settlement fixed at a time when wheat was selling at from 40 to 55 seers (very dear for those days) utterly broke down when five years later (1849 to 1853) prices fell suddenly to 66 and then to 93 seers for the rupee. In these districts it produced this effect that 40 lakhs of revenue had to be reduced to 33¾ lakhs or a reduction of 6½ lakhs amounting to 16 per cent. in all three districts and even to 24 per cent. in Siálkot. The people began to rally then only during the *last six* years of the ten years, for which term the former settlement stood. Virtually it may be said they have had the benefit then of only a six year settlement, as compared with North-Western Provinces where they have had the unrestricted advantages of a 30 years' period.

Secondly.—Then it must be remembered the alterations of standard to the 50 per cent. net asset rate necessarily involved a general reduction of 9 per cent. as a first drawback.

Thirdly.—Although this is made up by some improvement, the utmost that is shown by statistics to have occurred under head of *area* and resources gives only a general improvement of 10 per cent.

Fourthly.—That if we look to the increase of value arrived at present and likely to go on for half the period of the new settlement under all heads of prices, cost of cultivation, and rent, the mean rise even points to about 20 per cent. only. Deduct from this the 9 per cent. caused by general reduction of standard to half assets, leaves us to expect an increase of only 11 per cent. at the utmost in the new assessment.

Fifthly.—That those who say the new assessments are too low compared with the selling value of land, and large profit made by zemíndárs, overlook these facts; (i) that the late very high prices, (last five years) were quite abnormal, being famine prices; (ii) that they were as much due to drought and decreased production as to improving causes; (iii) that the high selling price is due as much to increased security given by our rule and minute sub-division of good lands that is going on as to any other cause; (iv) and further granting that larger profits have been derived during last five years by such as had stores in their granaries: these five years are *all subsequent* to the fixation of the new jamas. Shall we grudge them the present day of sunshine, when during the last first ten years of our

rule, our money settlement left no profits according to the standard we preferred to give, totally altered the status of ordinary tenants, restricted money rent (*malikána*) to an absurdly low imperial limit, fixed by authority and followed by the enactment of a Code that prevented enhancement of that rent altogether, while in other parts of India no such prohibition existed ?

Sixthly.—Then it must not be overlooked that it is only within the last eight years land may be said to have acquired a really increased value, and we are only now *beginning* to enter that era of prosperity which in other provinces has been going on for at least 20 years ; that wells have only within these few years been constructed in any appreciable number, and although the old debts are being paid off in many villages, still we believe 30 per cent. of the agriculturits are still living in indebtedness, and there is a reason for it perhaps in the fact that the average area held by a proprietor ranges from 10 to 16 acres and of cultivation only 3 or 4 acres ; such small areas can scarcely admit of large profits being made until prices have still more improved, or production has been enhanced by irrigation ; to encourage which becomes both a duty and a necessity in highly cultured tracts, such as we find in the districts now under consideration.

Seventhly.—Having these purposes in view, it was deemed prudent to redistribute the jama *initially* and for ten years, so as to give the country a longer breathing time, and defer the increase to a progressive arrangement.

Eighthly.—We have had to allow for the imposition of new cesses at the rate of 3½ and 4½ per cent. on the new jama; which coming in over and above the land revenue may still be held to give a certain fiscal increase, both *initially* and *progressively*. Already these cesses now amount to close on 19½ per cent., so that for every Rs. 100 paid as land revenue, Rs. 120 are collected from the people. In this respect I believe the incidence of taxation is some 6 per cent. over what is paid in North-Western Provinces for cesses alone, and say what we may, that they are in excess of imperial revenue, still it is from the same margin of profits that we obtain this addition to an income.

Ninethly.—Then there was the proposal emanating from Government several years ago, and only now is being about to be put into execution, of charging landholders' profits with a new cess for local taxation. We knew this was coming on, we knew that it would be drawn from the same margin of profits. The late Lieutenant-Governor asked my opinion how best to recover a portion of the old Government share of land revenue surrendered under the rule which reduced new assessments to 50 per cent. net profits ; his desire being to make that the margin from which to draw his income for local taxation. In my report* to Government I showed that if it was desired to do this, instead of taking the old 66, or the new 50 per cent. of the net profits, we might take a mean of 57 per cent. which would find us what would be equivalent to 15 per cent. on the new jama. Deducting 3½ in some and 4½ in other districts that have been already charged as new cesses, there remained 10½ or 11½ per cent. which could be taken in the districts that had been settled, and I recommended that it should be taken in all future settlements, 50 per cent. being charged to land revenue and 15 per cent. being written off in the accounts as income for future local taxation. I see nothing to prevent this being done even now, if it is desired to recover a part of the net profit receipts surrendered. But so long as the standard is to be 50 per cent., it is clear we must lose a considerable portion of that increase in new assessments which might otherwise have been attainable. This seems to me to be at the bottom of the whole question now before us. In the synopsis accompanying I have shown (heading 36) now in Amritsar Division alone we lose 4 lakhs in the new assessment from this source.

*Settlement Commissioner's No. 375, dated 27th September, to Secretary to Punjab Government.

I will now conclude by a few words under the third head.

III.—*The advantages and effect of the system.*—As regards the advantages, the first thing secured is an amount of equality in assessment which perhaps has never before been attained. There is fixity of assessment as regards the bulk of the revenue which is put on the land, while the system is so elastic as to give great power in the hands of Government to increase the receipts from water during the term of settlement, without disturbing the sense of security given by a 20 year term of settlement ; this fluctuating revenue is susceptible of very great expansion. The more water introduced into the State Canals means an immediate yearly increase to the land revenue. I calculate the present income of 3 lakhs from this source will rise to 6 lakhs certainly within the next ten years. The more private enterprise is encouraged to bring land

under well irrigation by the establishment of a special agency, giving judicious advances, as loans from Government liberally all over the country, the more quickly will the landowner's gains double and treble, improvement will be more quickly effected, more food will be produced, greater means of mitigating the effects of famines will be secured, while the power to add to the land revenue even within ten years will be double of what can now be effected under the old system of assessment. It estimated that it is possible to obtain 12 lakhs of rupees in as many years, but even say only 30,000 new wells were constructed in such circles, as easily admit of them, at Rs. 20 a well we may add to the revenue certainly 6 lakhs a year.

The effect of these arrangements is shown in the synopsis and tables A., B., C., accompanying. Instead of its being supposed, as has been said of us that we have recklessly thrown away the Government revenue, by unreasonably low assessments, it will be seen that when all considerations have been duly weighed, the actual, initial and progressive result, in all six districts, will stand thus :—

	Gurdáspur	Amritsar.	Siálkot.	tal.	Gujránwála-	Gujrát.	Lahore.	Total.	Grand Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Initial	62,014	17,863	20,781	1,00,658	62,861	58,743	1,62,460	2,84,064	3,82,722
	5 p. c.	2 p. c.	2. p c.	3 p. c.	12 p. c.	10 p. c.	29 p. c.	18 p. c.	8 p. c.
Which will rise *progressively after ten years.*	1,08,858	53,271	72,373	2,34,502	1,05,825	78,557	2,09,023	3,93,405	6,27,907
	9 p. c.	5 p. c.	6 p. c.	7. p c.	21 p. c.	14 p. c.	38 p. c.	24 p. c.	12 p. c.
And if (1) water advantage for monsoon supply and (2) future income from well *ábiána* is included, there will be a further rise to—	2,28,858	2,13,271	2,73,373	7,14,502	2,25,825	1,38,557	3,69,023	7,27,705	14,42,207
	19 p. c.	22 p. c.	23 p. c.	21 p. c.	45 p. c.	21 p. c.	65 p. c.	34 p. c.	25 p. c.

In other words the new settlement will in reality effect a gradual increase in—

(*a*) *Amritsar Division.* Gurdáspur Amritsar Siálkot	Of 20 per cent. raising former land revenue Rs. 33,66,893 to Rs. 36,13,943 and if new monsoon water advantage and well *ábiána* receipts are taken into account, 40 lakhs equal in amount to what it stood at summary settlement.
(*b*) *In three other districts.* Gujránwála Gujrát Lahore	Of 25 per cent. raising land revenue from 16¼ to 21¼ lakhs and eventually to 24½ lakhs ; some 6 lakhs in excess of summary settlement.

All things considered, and knowing these districts as intimately as we do, we are strongly convinced that these results are not inadequate nor unreasonable, but on the contrary, if we have to put into effect the new standard of 50 per cent. net profits, and honestly regard the best interests alike of the State and the people, they are, we believe, prudent, equitable and sufficient.

SYNOPSIS OF FINANCIAL RESULTS EFFECTED BY NEW ASSESSMENT OF LAND REVENUE IN SIX DISTRICTS OF THE PUNJAB, BROUGHT UNDER REVISION OF SETTLEMENT.

No.	Particulars.		Amritsar Division. (Rainfall from 20 to 35 inches).				Three other Districts. (Rainfall from 15 to 20 inches).				Grand total of six Districts.
			Gurdáspur.	Amritsar.	Siálkot.	Total.	Gujránwála.	Gujrát.	Lahore.	Total.	
1	Cultivated Area	Former	7,18,478	6,11,425	7,14,678	20,44,581	4,84,687	5,06,030	8,29,915	18,20,632	38,65,213
2		Present	7,34,554	6,62,017	7,67,494	21,64,065	5,73,383	6,11,825	9,75,424	21,60,632	43,24,697
3	Improvement expressed by showing increase under these heads in percentages.	Of area	2	7	7	5	12	17	15	15	13
4		Of irrigation	13	9	4	11	4	decrease 6	9	2	8
5		Of I. and II. Class produce	6	...	...	4	13	9	14	10	10
6		Of III. and IV. Class produce ...	...	10	13	...	...	...	...	...	...
7		Of ploughs	7	25	29	21	46	46	40	44	30
8		Of cattle	19	20	17	19	32	392	90	117	57
9		Of population	7	4	(less) 1	3	17	41	40	34	16
10		Of wells	8	6	7	7	12	9	16	13	10
11	Mean of general improvement		7	10	10	9	19	18	32	25	20
12	Summary Settlement jama of A. D. 1852-53		14,47,407	10,53,126	15,22,351	40,17,255	6,24,969	6,00,814	6,20,685	18,46,468	58,62,773
13	Reduced at Regular Settlement in years from 1854 to 1860.		12,55,427	9,77,212	11,53,470	33,82,738	5,22,225	5,51,563	5,63,333	16,37,121	50,21,859
14	Percentage of reduction then given		13 per cent.	7 per cent.	24 per cent.	16 per cent.	16 per cent.	8 per cent.	9 per cent.	12 per cent.	16 per cent.
15	Produce Estimate at 1 6 0 per cent.	Former	12,71,804	9,27,393	12,50,409	34,49,606	5,26,601	5,75,067	...	...	...
16		Present	14,01,564	10,44,695	13,66,413	38,12,672	7,18,007	7,02,133	10,01,631	24,21,771	62,35,043

Explanatory Remarks.

CONCLUSIONS TO BE DEDUCED FROM THESE FIGURES.

I,– In Amritsar Division, where rainfall is from 20 to 25 inches :—

First—That only 12 years before new settlement, when they paid 40 lakhs of revenue the assessment broke down and was reduced by 6½ lákhs or 16 per cent.

Second—That looking to area and resources, general improvement since then has been augmented to only about 10 per cent.

Third—That although *initially* we have reduced 1¾ lakhs to bring assessment to the standard of half net produce, we recoup this by 1½ lakhs gained from water advantage, the *net initial* decrease being reduced to Rs. 27,433.

Fourth—That if we threw in 3½ and 4½ per cent. for cesses newly imposed, we raise again by a little more than 1½ lakhs.

Fifth—That in this way *total initial result* comes out Rs. 34,67,557 as against Rs. 33,66,893, or a net increase of one lakh=to 3 per cent.

Sixth—That in the North-Western Provinces they have had the benefit of 30 years lease, here only 10 years four or five years of which were cheap and trying, they rallied only during last 6 years, while for 6 years pre-

17	New Estimate and land revenue proposed (initial.)	New revenue rate	11,57,222	9,43,420	11,66,636	32,67,278	5,42,317	6,17,042	7,34,044	18,93,403	51,60,681
18		Former jama, *viz.*, of year preceding New Settlement.	12,55,922	9,58,324	11,52,647	33,66,893	5,15,420	5,56,845	5,45,917	16,18,182	49,85,075
19		New jama land and water. — "Initial" on land	11,56,369	9,09,177	112 2914	31,460	5,53,386	5,89,088	6,34,437	17,76,911	49,65,371
20		New jama land and water. — Add for canal ...	1,17,000	34,000	...	151,000	...	...	50,000	50,000	2,01,000
21		New jama land and water. — Total initial with canal.	12,73,369 1-12-0	9,43,177 1-8-0	11,22,914 1-7-6	31,39,460	5,53,386 1-1-0	5,89,085 0-15-5	6,84,437 0-12-0	18,26,911 ...	51,66,371 ...
22		Add for 3½ and 4½ new fees per cent.	3½=44,567	3½=33,000	4½=50,520	1,28,097	4½=24,901	4½=26,500	3½=23,930	75,331	2,03,428
23		Total "initial" result	13,17,936 1-12-6	9,76,187 1-9-0	11,73,434 1-8-9	34,67,557	5,78,287 1-2-0	6,15,588 1-2-0	7,08,377 0-13-0	19,02,252 ...	53,69,799 ...
24		Add 10½ and 11½ per cent. for new local rating.	11½= 1,46,376	11½= 1,08,464	10½= 1,68,435	4,25,275	10 = 58,104	10½= 58,743	11½= 78,710	1,95,557	5,98,832
25		Total anticipated "initial"... ...	14,64,312 1-15-0	10,84,651 1-11-0	13,41,869 1-12-0	38,92,832	6,36,391 1-4-0	6,74,331 1-4-0	7,86,787 0-14-0	20,97,509 ...	59,90,341 ...
26	"Progressive."	From land revenue. — After 5 years ...	161	1,440	3,155	4,756	4,377	1,625	3,679	9,681	14,437
27		From land revenue. — After 10 years...	5,256	22,152	29,433	47,843	38,587	18,089	42,884	99,560	1,47,403
28		From land revenue. — After 15 years...	872	1,406	3,957	6,235	9,047	18,144	...	27,191	33,426
29		From land revenue. — Total after 10 years.	5,417	23,592	23,590	52,599	42,964	19,814	46,563	1,09,341	1,61,940
30		Add for canals from and after 5 years	43,000	45,100	...	88,100	...	...	1,00,000	1,00,000	1,88,100
31		Total of land and water after 10 years	48,417	68,692	23,590	1,40,699	42,964	19,814	1,46,563	2,09,238	3,49,937
32		After 10 years total will rise to (Col. 23+31).	13,21,786	10,11,809	11,46,504	34,80,099	5,96,350	6,08,902	8,31,000	21,36,252	55,16,351
33		Add 3½ and 4½ per cent. for fees worked out on Col. 32.	3½=46,344	3½=35,408	4½=51,592	1,33,844	4½=26,835	4½=27,400	3½=29,085	83,320	2,17,164
34		Total rise of maximum Col. 32 + 33=	13,68,630	10,47,217	11,98,096	36,13,943	6,26,185	6,36,302	8,60,085	21,17,572	57,63,514
35		Add for 10½ and 11½ per cent. for new local rating worked out on Col. 32.	11½= 1,53,106	11½= 1,16,353	10½= 1,20,372	3,90,641	10½= 62,616	10½= 63,934	11½= 95,565	2,21,115	6,12,756
36		Grand total of anticipated maximum.	15,22,546	11,63,570	13,18,468	40,04,584	6,85,801	7,00,236	9,55,650	23,41,687	63,46,271

viously they were crushed by high assessments and Government demand had to be lowered 16 per cent. in consequence.

Seventh.—That this being the condition of things, it became necessary to defer increase to a *progressive* assessment in all districts.

Eighth.—That after 10 years there will thus be an increase from land and water, which will raise new jama to Rs. 36,13,943.

Ninth.—That the actual "*initial*" and "*Progressive*," result will stand thus stated under heads (A) and (B) below :—

	Gurdáspur.	Amritsar.	Siálkot.	Total.
	Rs.	Rs.	Rs.	Rs.
Initial	62,014 5 p. c.	17,863 2 p. c.	20,781 2 p. c.	1,00,658 3 p. c.
Progressive	1,08,858 9 p. c.	53,271 5 p. c.	72,373 6 p. c.	2,34,502 7 p. c.

Tenth.—That this gives the following rates on cultivated area; which cannot be said to be low, seeing that the first two have only ¼, and the last district less than ⅓ of their areas protected by irrigation.

	Rs.	A.	P.
Gurdáspur ...	1	14	0
Amritsar ...	1	9	0
Siálkot ...	1	9	0
Total ...	1	11	0

Eleventh.—That if further allowance be given for *new income* under water advantage rate system for new land coming under *monsoon* irrigation, we shall receive another lakh of rupees in 10 years from two first districts.

Twelfth.—And if the principle of "*ábiána*" on future wells is to operate as proposed by our system, it is estimated that 19,000 new wells will be made, which will being up the whole increase to more than 7 lakhs, thus:—

Gurdáspur	Rs. 2,28,858,	or 19 per cent.
Amritsar ...	,, 2,13.271,	or 22 ,,
Siálkot ...	,, 2,72,373,	or 23 ,,
Total ...	,, 7,14,502,	or 21 per cent.

SYNOPSIS OF FINANCIAL RESULTS EFFECTED BY NEW ASSESSMENTS OF LAND REVENUE IN SIX DISTRICTS OF THE PUNJAB BROUGHT UNDER REVISION OF SETTLEMENT—*contd.*

	Particulars.			Amritsar Division. (Rainfall from 20 to 25 inches).				Three other Districts. (Rainfall from 15 to 20 inches).				Grand total of six Districts.
				Gurdáspur.	Amritsar.	Siálkot.	Total.	Gujránwála.	Gujrát.	Lahore.	Total.	
37, 38, 39, 40, 41	Financial result, increase or decrease as against former jama (Col. 18).	Initial ...	Of initial with canal (Col. 21).	+17,477 or 1 p. c.	−15,207 or 1 p. c. less.	−29,733 or 2 p. c. less.	−27,433 or 1 p. c. less.	+37,960 or 7 p. c,	+32,243 or 6 p. c.	+1,38,852 or 25 p. c.	+2,08,723	+1,91,290 or 4 p. c.
			Of total initial (Col. 23).	+62,014 or 5 p. c.	+17,863 or 2 p. c.	+20,781 or 2 p. c.	+1,00,658 or 3 p. c.	+62,861 or 12 p. c.	+58,743 or 10 p. c.	+1,62,460 or 29 p. c.	2,84,064 or 18 p. c.	3,82,722 or 8 p. c.
			Of total anticipated initial (Col. 25).	+2,08,390 or 16 p. c.	+1,26,333 or 13 p. c.	+1,89,222 or 17 p. c.	+5,23,945 or 16 p. c.	+1,20,971 or 23 p. c.	+1,17,486 or 20 p. c.	+2,39,870 er 44 p. c.	4,78,327 or 30 [illegible]	10,02,272 or 20 p. c.
		Progressive ...	Of land and water (Col. 31+38).	+1,08,858 or 9 p. c.	+53,271 or 5 p. c.	+72,373 or 6 p. c.	+2,34,502 or 7 p. c.	+1,05,825 or 21 p. c.	78,557 or 14 p. c.	2,09,023 or 38 p. c.	3,93,405 or 24 p. c.	6,27,907 or 12 p. c.
			Of land and water (Col. 31+ 39).	2,55,234 or 20 p. c.	+1,61,741 or 17 p. c.	+2,40,814 or 20 p. c.	+6,57,789 or 20 p. c.	+1,63,935 or 31 p. c.	1,37,300 or 24 p. c.	2,86,433 ot 52 p. c.	5,87,668 or 36 p. c.	12,45,457 or 25 p. c.
	(A) "Actual financial result will stand "*Initial*" thus:—											
	Former jama (Col. 18) ...			12,55,922	9,58,324	11,52,647	33,66,893	5,15,420	5,56,845	5,45,917	16,18,182	49,85,075
	Total new jama (Col. 23) ...			13,17,936	9,76,187	11,73,434	34,67,559	5,78,287	6,15,588	7,08,377	19,02,252	53,69,799
	Increase ...		Amount ...	62,014	17,863	20,781	1,00,658	62,861	58,743	1,62,460	2,84,064	3,82,722
			Per cent. ...	5 p. c.	2 p. c.	2 p. c.	3 p. c.	12 p. c.	10 p. c.	29 p. c.	18 p. c.	8 p.c.

Explanatory Remarks.

Conclusion.—Thus the new settlement will in reality effect an increase gradually of 20 per cent., raising former land revenue of Rs. 33,66,893 to Rs. 36,13,943, and if "monsoon water advantage" and "well ábiána" receipts derived from constantly increasing land brought under irrigation are thrown into account, to 40 lakhs; *i.e.*, equal to what it stood at Summary Settlement and in excess by some 2 lakhs of produce estimate based on the calculation of ½ net assets

Now pass on to –

II.—The other three districts Gujránwála, Gujrát, Lahore, where rainfall ranges from 15 to 20 inches:—

First.—That here, too, the old Summary Settlement necessitated a reduction of 2 lakhs or 12 per cent.

Second.—That since then greater improvement has here resulted amounting to from 20 to 30 per cent., because these districts are only 50 per cent. cultivated.

Third.—That being rated lower and having large reclaimable areas, they have increased three times more quickly in area than in Amritsar Division, the increase being only 5 per cent. there, and 15 per cent. here.

Fourth.—That we are thus able to obtain an initial increase of 1½ lakhs, and inclusive of water advantage 2 lakhs without being obliged to reduce the ¼th to ⅙th gross produce standard.

(B)—Actual financial result "*progressive*" after 10 years thus ;—

Will rise to for land and water (Col. 34)		13,68,630 1-14-0	10,47,217 1-9-2	11,98,096 1-9-0	36,13,943 1-11-0	6,23,185 1-2-0	6,36,302 1-2-0	8,60,085 0-14-0	21,17,572 1-0-0	57,63,514 1-5-0
Increase as in Col. 40	Amount	1,08,858	53,271	72,373	2,34,502	1,05,825	78,557	2,09,023	3,93,405	6,27,907
	Per cent.	9 p. c.	5 p. c.	6 p. c.	7 p. c.	21 p. c.	1 p. c.	38 p. c.	24 p. c.	12 p. c.
Add for new monsoon supply from canal irrigation		40,000	60,000	...	1,00,000	...	...	60,000	60,000	1,60,000
Add future "*ábiána*" on new wells	Number of wells ...	4,000	5,000	10,000	19,000	6,000	3,000	5,000	14,000	33,000
	Amount expected ...	80,000	1,00,000	2,00,000	3,80,000	1,20,000	60,000	1,00,000	2,80,000	6,60,000
Total increase expected after 10 years.	Amount	2,28,858	2,13,271	2,72,373	7,14,502	2,25,825	1,38,557	3,69,023	7,27,705	14,42,207
	Per cent.	19 p. c.	22 p. c.	23 p. c.	21 p. c.	43 p..c.	21 p. c.	65 p. c.	34 p. c.	25 p. c.

Fifth.—That if we throw in $3\frac{1}{2}$ and $4\frac{1}{2}$ per cent. for new cesses, this further increases to Rs. 2,84,064, or an increase of 18 per cent.

Sixth.—That after 10 years there will fall in from land and water another 2 lakhs more.

Seventh.—That thus in these districts we shall obtain *initial* and progressive increases amounting to—

	Gujránwála.	Gujrát.	Lahore.	Total.
	Rs.	Rs.	Rs.	Rs.
Initial ...	62,861	58,743	1,62,460	2,84,064
	12 p. c.	10 p. c.	29 p. c.	18 p. c.
Progressive	1,05,825	78,557	2,09,025	3,93,408
	21 p. c.	14 p. c.	38 p. c.	24 p. c.

and comparing this with rates of improvement.—

19 p. c., 18 p. c., 32 p. c., and 25 p. c.—it may be admitted we have assessed fully up to the mark.

Eighth.—That the *progressive* will fall on cultivated area at following rates :—

	Rs.	A.	P.
Gujránwala ...	1	2	0
Gujrát ...	1	2	0
Lahore ...	0	14	0
Total ...	1	0	0

which cannot be said to be low for districts half of whose areas are affected by a rainfall of only 15 inches, and where irrigation is difficult from depth of water in wells being 50 feet.

Ninth.—That if further allowance is made for new income derivable from monsoon water advantage, we shall obtain 60,000 more in Lahore District.

Tenth.—And if the "*ábiána*" on new wells is included, it is estimated 14,000 new wells will be made in three districts, which will swell the increase eventually to $7\frac{1}{4}$ lakhs thus—

Gujránwála ...	Rs. 2,25,823,	or 43 per cent.
Gujrát ...	" 1,38,557,	or 21 "
Lahore ...	" 3,69,023,	or 34 "
Total ...	7,27,705,	or 25 per cent.

Conclusion.—Thus in these three districts the new settlements will in reality effect an increase gradually of 25 per cent., raising former land revenue of $16\frac{1}{2}$ lakhs to $21\frac{1}{4}$ lakhs, and if monsoon water receipts and well "*ábiána*" are included to $24\frac{1}{2}$ lakhs, or some six lakhs in excess of what it stood at Summary Settlement and equal with produce estimate.

STATEMENT A. SHOWING REASONABLENESS OF FISCAL RESULTS OF NEW ASSESSMENTS FOR RISE

FISCAL RESULTS HOW WORKED OUT.	Gurdáspur at $\frac{1}{4}$th gross produce.	Amritsar at $\frac{1}{4}$th gross produce.	Siálkot at $\frac{1}{6}$th gross produce.	Total.	Gujránwála, at $\frac{1}{6}$th gross produce.
	Rs.	Rs.	Rs.	Rs.	Rs.
A.—Former jama, at $\frac{1}{4}$th gross produce	12,55,922	9,58,324	11,52,647	33,66,893	5,15,420
B.—Reduce 9 per cent. off this	1,13,032	1,86,250	...	2,99,282	...
C.—Leaves jama, representing $\frac{1}{6}$th gross produce, being equal to 50 per cent.	11,42,898	8,72,074	11,52,647	31,67,611	5,15,420
D.—Allow for rise in values— *Produce.* 50 to 80 p. cent. *Working cost.* 50 p. cent. *Rent.* 16 to 18 p. cent. Take a mean rise of 20 per cent. on D.	2,28,478	1,74,414	2,30,529	6,33,421	1,03,084
E.—Standard jama to be taken	13,71,368	10,46,488	13,83,176	38,01,032	6,18,504
F.—Jama actually taken including canals	12,73,369	9,43,117	11,22,914	33,39,460	5,53,386
G.—Ditto ditto including new fees at 3½ or 4½ per cent. over jama	13,17,936	9,76,187	11,73,434	34,67,557	5,78,287
H.—Will rise after 10 years, including land and water revenue to	13,21,786	10,11,809	11,46,504	34,80,099	5,96,350
I.—If 3½ or 4½ per cent. on progressive is included will further rise after 10 years to	13,68,630	10,47,217	11,98,096	36,13,943	6,23,185
J.—So that comparing new jama, including new fees (G above) with existing jama, at 50 per cent. (C), we really take an initial increase ...	2,75,046	1,04,113	20,787	3,00,946	62,867
Which is equivalent to	15 p. cent.	12 p. cent.	2 p. cent.	10 p. cent.	12 p. cent.
K.—If progressive jama (I) is compared with existing jama at 50 per cent. we obtain an increase of	2,25,740	1,75,143	45,454	4,46,332	1,07,765
Being equivalent to an increase of, over existing jama, at 50 per cent. net assets rates ...	20 p. cent.	20 p. cent.	4 p. cent.	14 p. cent.	20 p. cent.
L.—If local rating, at 10½ or 11½ per cent. is included, jama will stand initially at	14,64,312	10,84,651	13,41,869	38,92,832	6,36,391
Being equivalent to increase over existing jama at 50 per cent.	3,21,422 or 28 p. cent.	2,12,577 or 24 p. cent.	2,79,222 or 22 p. cent.	7,25,221 or 23 p. cent.	12,097 or 23 p. cent.

ACCORDING TO EXISTING RULE OF ASSESSING AT 50 PER CENT. OF NET ASSETS AND ALLOWING IN PRICES.

Gujrát at ⅙th gross produce.	Lahore, ⅙th gross produce.	Total.	GRAND TOTAL.
Rs.	Rs.	Rs.	Rs.
5,56,845	5,45,917	16,18,182	49,85,075
...	...	...	2,99,282
5,56,845	5,45,917	16,18,182	47,85,793
1,01,369	1,09,183	3,13,636	9,47,057
6,58,214	6,55,100	19,31,818	57,32,850
5,89,088	6,84,437	18,26,911	51,66,371
6,15,588	7,08,377	19,02,252	53,69,799
6,08,908	8,31,000	21,36,252	55,16,351
6,36,302	8,60,088	21,17,572	57,63,514
78,743	1,62,462	2,84,070	7,42,360
14 p. cent.	30 p. cent.	12 p. cent.	16 p. cent.
79,457	3,14,168	4,99,390	11,46,075
14 p. cent.	57 p. cent.	30 p. cent.	25 p. cent.
6,74,331	7,86,787	20,97,509	59,90,341
1,17,486 or 28 p. cent.	2,40,870 or 44 p. cent.	3,79,327 or 23 p. cent.	13,72,902 or 29 p. cent.

REMARKS.

CONCLUSIONS TO BE DRAWN FROM THESE FIGURES.

We learn here—

I.—That in the two districts, Gurdáspur and Amritsar, we have to take off 9 per cent. as the difference between ⅕th and ⅙th gross produce to bring assessment down to ⅙th, which agrees with the 50 per cent. asset rate. Siálkot already ranges at ⅙th. The other districts had considerably improved and expanded, so the range of their assessment may be accepted as about the standard, even on the old jama (C).

II.—That adding to the existing jama thus reduced, 20 per cent. for the mean rise in prices, the utmost that can be taken, considering how little *rent* has risen, we obtain a standard (E).

III.—That comparing new assessments with this standard, and the existing jama at ⅙th gross produce rates, it will be seen that in reality an increase is obtained thus—

Initially. (Column J) of from 12 to 15 per cent. in Amritsar, Gujránwála, Gujrát and Gurdáspur, and as much as 30 per cent. in Lahore.

Progressively after 10 years.—Column (K) of 14 per cent. in Gujrát, 20 per cent. in Gurdáspur, Amritsar and Gujránwála, and as much as 57 in Lahore.

IV.—That in Siálkot, jama remains the same with a nominal decrease. It was only 10 years ago, this district was in a bad state, and 24 per cent. had to be reduced from summary settlement. Time is required to enable it to advance to the full prosperity attained by the other districts. A nominal increase then appears here of 2 per cent. *initial*, and 4 per cent. *progressive*; but it is here that large receipts will come in from "well *ábiána*," if the new system is affirmed.

V.—Thus, then the general effect of the new assessments has been to take an *initial* increase of 16 per cent. and *progressive* of 25 per cent. in all six districts, having regard to the fact that the Government demand had to be lowered (at the rate of 9 per cent. in two districts) to the standard of 50 per cent. assets as required by existing rules.

STATEMENT B. SHOWING REASONABLENESS OF FISCAL RESULTS

FISCAL RESULTS WORKED OUT.		Gurdáspur.		Amritsar.		Siálkot.		Total of Amritsar Division.
			Acres.		Acres.		Acres.	
Distribution of *area* under tenants, and extent under "cash" and "grain" rates.	By cash rates		124,000		197,000		133,000	
	@ $\frac{1}{2}$ Batai		95,000		5,000		29,000	
	@ $\frac{2}{5}$ths „		7,000		2,000		9,000	
	@ $\frac{1}{3}$rd „		5,000		2,000		4,000	
	@ $\frac{1}{4}$th „		500		400		2,000	
	Total under batai		107,500		9,400		44,000	
	Total under tenant		231,500		207,000		177,000	
	Total held by propietor		505,000		609,000		439,000	
	Total area cultivated		736,000		816,000		616,000	

Parts of 100 and prevailing "*rent*" *rates*.		p. c.	$\frac{1}{2}$ Batai.	p. c.	$\frac{2}{5}$th Batai.	p. c.	$\frac{2}{5}$ths Batai.	
			Rs.		Rs.		Rs.	Rs.
50 per cent. net profits worked out and	Value of gross produce	100	84,09,384	100	62,67,170	100	81,98,478	2,28,75,052
	Deduct for expenses "*kharch*" ...	33	28,03,128	25	15,67,292	25	20,99,239	64,69,660
	Leaves as "*Pukka kan*"	66	56,06,256	75	46,99,878	75	60,99,239	1,64,05,373
	Deduct cultivator's share	33	28,03,128	45	31,13,927	45	36,59,671	95,76,726
	Leaves as "*net profit*"	33	28,03,128	30	18,75,951	30	24,38,714	71,17,793
	Deduct $\frac{1}{2}$ assets as proprietor's share ...	16½	14,01,564	15	9,39,771	15	12,19,307	35,60,642

Compared with new revenue rates and new land revenue imposed.	Leaves Government share at $\frac{1}{2}$ assets...	16½	14,01,564	15	9,39,771	15	12,19,307	35,60,642
	Revenue rate jama	...	11,57,222	...	9,43,420	..	11,66,636	32,67,278
	Jama of year preceding new Settlement	...	12,55,922	...	9,58,324	...	11,52,647	33,66,893
	Jama actually fixed including canal (*initial*).	...	12,73,369	...	9,43,117	...	11,22,914	33,39,460
	Jama including new fees at 3½ or 4½ per cent. over jama.	...	13,17,936	...	9,76,187	...	11,73,434	34,67,557
	Will rise after 10 years including land and water (*progressive*).	...	13,21,786	...	10,11,809	...	11,46,504	34,80,099
	If 3½ or 4½ per cent. on progressive is included will further rise after 10 years to	...	13,68,630	...	10,47,217	...	11,98,096	36,13,943

We thus see :—

CONCLUSIONS TO BE DRAWN FROM THE

(1). *Gurdáspur.*—That notwithstanding the rate of rent at $\frac{1}{2}$ *batai* is high, giving at $\frac{1}{2}$ assets 14 lakhs,

(2). *Amritsar.*—That the jama given by revenue rates and as actually fixed even *initially* agree

(3). *Siálkot.*—That although *initially* we give a decrease keeping near upon revenue rates we reach the $\frac{1}{2}$ which necessitated a reduction of 24 per cent. on Summary Settlement, the amount now

(4) *Gujránwála.*—That here we have taken an *initial* increase almost up to the full amount of $\frac{1}{2}$ assets

(5). *Gujrát.*—That we have taken here also an *initial* increase even in excess of amount given at $\frac{1}{2}$

(6). *Lahore.*—That the large increase called for by $\frac{1}{2}$ assets, and by revenue rates agreeing there

Therefore by the test of the 50 per cent. asset principle worked out on existing rent rates, these

NEW ASSESSMENTS ACCORDING TO "BATAI" *RENTS AS THE EXIST.*

Gujránwála.		Gujrát.		Lahore.		Total of three other Districts.	Grand Total of six Districts.
p. c.	⅓rd Batai.	p. c.	⅓rd Batai.	p. c.	⅓rd Batai.		
	Rs.		Rs.		Rs.	Rs.	Rs.
100	46,08,048	100	42,12,798	100	60,09,786	1,48,00,632	377,05,684
25	11,52,012	25	10,53,199	25	15,02,443	37,07,654	1,01,77,314
75	35,56,036	75	31,59,599	75	45,07,344	1,12,23,079	2,76,28,452
50	23,71,691	50	21,06,398	50	30,04,896	75,82,985	1,71,59,711
25	11,85,345	25	10,53,199	25	15,02,248	37,40,792	1,08,58,585
12½	5,92,672	12½	5,26,599	12½	7,51,224	18,70,495	54,31,137
12½	5,92,672	12½	5,26,599	12½	7,51,224	18,70,495	54,31,137
...	5,42,317	...	6,17,042	...	7,34,044	18,93,403	51,60,681
...	5,15,420	...	5,58,845	...	5,45,917	1,618,182	49,85,075
...	5,56,386	...	5,89,088	...	6,84,437	18,26,911	51,66,371
...	5,78,287	...	6,15,588	...	7,08,377	19,02,252	53,69,799
...	5,96,358	...	6,08,908	...	8,31,000	21,36,252	55,16,351
...	6,23,185	...	6,36,302	...	8,60,088	21,17,572	57,63,514

Remarks.

(*a*).—The areas held under *money* and *grain* rate are taken from returns prepared at new Settlement.

(*b*).—The "*Batai*" rates are those that prevail most largely in these districts.

(*c*).—The calculations eliminating "*net profit*" are worked out according to these batai rates on the produce returns.

(*d*).—The parts of 100 show the customary distribution of the grain collections.

(*e*).—The jama amounts that appear in lower section of this statement are the same as in the synopsis or general abstracts.

ABOVE FIGURES.

we obtain *initially* close upon 13½ lakhs which will rise to 13¾ lakhs after 10 years.

with ⅛ asset amount; while *progressively* we are in excess of it by 11 per centum;

asset amount *progressively* after 10 years; remembering the impoverished state of this district, only 10 years ago assessed seems fair and inevitable.

which is again increased *progressively* in excess of that amount.

assets, which is further *progreseively* increased to a sum which will be 1 lakh above it.

with has been taken *initially*, which rises *progressively* to a sum of 1 lakh or 14 per cent., even in excess of ⅛ asset.

assessments would appear to be equitable and sufficient.

STATEMENT C.—SHOWING REASONABLENESS OF FISCAL RESULTS OF NEW ASSESS

Fiscal Results how worked out.	Gurdáspur.	Amritsar.	Siálkot.	Total.
Distribution of area in acres according to percentages of Málikána paid over and above jama by tenants. @ 5 per cent. málikána	2,827	13,246	1,286	17,459
" 10 " "	12,273	31.198	14,616	58,087
" 20 " "	37,383	48,826	24,158	1,10,367
" 30 " "	3,866	6,691	6,345	16,902
Over 30 per cent.	104	566	3,259	3,939
Total land under hereditary tenants ...	57,453	1,00,527	49,664	2,07,754
Total land paying money held by tenants ...	1,24,000	1,97,000	1,33,000	4,54,000
Total Area cultivated ...	7,36,000	8,16,000	6,16,000	21,68,000
	Rs.	Rs.	Rs.	Rs.
A.—Former Jama	12,55,922	9,58,324	11,52,647	33,66,893
B.—Add for zamíndárs' share at existing rent being only 30 per cent. over Jama rates, but allow, say, 50 per cent.	6,27,961	4,79,162	5,76,323	16,83,446
C.—Total net asset according to measure of existing rent paid in money.	18,87,883	14,37,486	17,28,970	50,50,339
D.—Deduct zemíndári share @ 50 per cent.	9,43,942	7,18,743	8,64,485	25,25,169
E.—Leaves Government share at	9,43,942	7,18,743	8,64,485	25,25,107
F.—Add for improvement—				
" (i) from new area	16,000 acres @ Rs. 1-12-0 = 28,000	50,000 acres @ Rs. 1-8-0 = 75,000	53,000 acres @ Rs. 1-8-0 = 78,500	1,81,500
" (ii) from produce—difference between former and present produce estimates.	1,30,000	1,20,000	1,10,000	3,60,000
G.—Gives standard jama to be taken	11,01,942	9,13,743	10,52,985	30,68,670
H.—Jama actually taken including canal	12,73,369	9,43,117	11,22,914	33,39,460
I.— " including new fees @ 3½ or 4½ per cent. over jama ...	13,17,936	9,76,187	11,73,434	34,67,559
J.—Will rise after 10 years including land and water revenue to ...	13,21,786	10,11,809	11,46,504	34,80,099
K.—If 3½ or 4½ per cent. new cesses on progressive is included will further rise to	13,68,630	10,47,217	11,98,196	36,13,943
L.—So that comparing new jama including new cesses (I) with standard required (G) we get an increase of	2,16,994 or 19 p. c.	52,440 or 6 p. c.	1,20,499 or 11 p. c.	3,06,885 or 10 p. c.
M.—Again if we compare maximum (K) after 10 years with standard (G) we get an increase of	2,66,688 or 22 p. c.	1,33,474 or 14 p. c.	1,45,211 or 14 p. c.	5,45,273 or 16 p. c.
N.—If local rating @ 10½ or 11½ per cent. is included jama will stand *initially* at	14,61,313	10,84,651	13,41,869	38,92,832
Being equivalent to an increase over what is sanctioned by existing rents and rise in value (G) of	3,59,371 or 38 p. c.	1,70,908 or 19 p. c.	1,88,884 or 27 p. c.	6,2,962 or 20 p. c.

MENTS ACCORDING TO EXISTING "MONEY RENTS" AS PAID OVER AND ABOVE JAMA.

Gujránwála.	Gujrát.	Lahore.	Total.	Grand Total.
Rs.	Rs.	Rs.	Rs.	Rs.
5,15,420	5,56,845	5,45,917	16,18,182	49,85,075
2,57,710	2,78,422	2,72,958	8,09,090	24,92,537
7,73,130	8,85,267	8,18,875	24,27,273	74,77,612
3,86,565	4,17,633	4,09,437	12,13,636	37,38,806
3,86,565	4,17,634	4,09,438	12,13,637	37,38,806
50,000 acres @ Re. 1 = 50,000	1,00,000 acres @ Re. 1 = 1,00,000	150,000 acres @ Re. 0-12-0 = 1,12,500	2,72,500	4,54,000
1,75,000	1,30,000	1,50,000	4,55,000	8,15,000
6,11,565	6,47,634	6,71,938	19,41,137	50,07,806
5,53,386	5,89,388	6,84,437	18,26,911	51,66,371
5,78,287	6,15,588	7,08,377	19,02,252	53,69,799
5,96,350	6,08,908	8,31,000	21,36,252	55,16,351
6,23,185	6,36,302	8,60,088	21,17,572	57,63,574
33,278 or 5 p. c.	32,046 or 5 p. c.	36,439 or 5 p. c.	38,885 or 2 p. c.	8,61,993 or 7 p. c.
11,620 or 2 p. c.	(equal)	1,88,150 or 20 p. c.	1,76,435 or 9 p. c.	7,55,768 or 15 p. c.
6,36,391	6,74,331	7,86,787	20,97,509	59,90,341
24,726 or 4 p. c.	26,697 or 4 p. c.	1,14,769 or 10 p. c.	1,56,372 or 8 p. c.	9,82,535 or 16 p. c.

REMARKS.

CONCLUSIONS TO BE DRAWN FROM THESE FIGURES.

We learn—

(i).—That the existing range of money rents *i.e.*, "málikána" as mutually agreed to between proprietor and tenant even at new settlement scarcely exceeds 30 per cent. over jama rates; indeed about one-half the tenants pay only 20 per cent., which shows that rent-rates paid in money are still very low.

(ii).—That assuming 30 per cent. as representing existing rate, out of 21½ lacs of acres, no less than 4½ lakhs or ⅕th of the are in three districts of Amritsar Division would appear to be charged with land revenue considerable in excess of rents actually received.

(iii).—That even if we allow 50 per cent. over and above jama rates as representing the range money rents will assume under action of increasing prices, and add for improvement affected under head of new area, and expanded produce (F) the standard jama (G) still comes out below former jama.

(iv).—That in spite of this the new assessments give a reasonable increase in excess even of this standard.

Initially, (Col. (L) of 5 per cent. in Gujránwála, Gujrát, Lahore and Amritsar; of 11 per cent. in Siálkot, and even 19 per cent. in Gurdáspur.

Progressively after ten years, (Col. M.) of 14 per cent. in Amritsar and Siálkot, 20 per cent. in Lahore, 22 per cent., in Gurdáspur; while in Gujránwála and Gujrát they agree with that amount.

(v).—Thus, then, the general effect by this test shews that in reality the the new assessments are 10 per cent. ahead of what is required by existing money rent rates when the latter are assumed to be at 50 per cent. above jama rates, and in this sense may be deemed reasonable.

(vi).—If it be argued these rent-rates will adjust themselves as value of land and produce goes on rising still two important facts must not be overlooked (*a*) that during the past settlement enhancement has been prohibited under the Punjab Civil Code; and (*b*) in the future the Tenancy Act considerably restricts the rent, the proprietor is solely responsible for revenue, and yet cannot obtain the full rent.

No. 460, dated Simla, 23rd May 1872.

From—J. Geoghegan, Esq., Under-Secy. to the Govt. of India, Dept. of Agriculture, Revenue and Commerce,
To—The Offg. Secretary to Government, Punjab.

At a meeting of the Council of the Governor-General for the purpose of making laws and regulations, which was held at Simla on the 20th June 1871 (the proceedings of which were published in the supplement to the *Gazette of India* of 24th June 1871), His Honor the Lieutenant-Governor of the Punjab was reported to have said, with reference to the Punjab Local Rates' Bill, that the question of the revised assessments introduced by the Settlement Commissioner was under investigation. I am directed to enquire whether the Government of the Punjab is now in a position to give an opinion as to the adequacy of these assessments.

No. 70 S., dated Lahore, 17th August 1871.

From—E. O'Brien, Esq., Officiating Secretary to Financial Commissioner, Punjab,
To—The Officiating Secretary to Government, Punjab.

In reply to your letter No. 199, dated 3rd April 1871, I am desired to forward the papers marginally noted relating to the assessments of the three districts of the Amritsar Division.

Settlement Commissioner's No. —, dated 14th June 1871, with part of enclosures in original, and copies of statements A. B. and C. and synopsis.
Do. No. 18½, dated 15th June 1871.
Financial Commissioner's Nos. 4163-4, dated 3rd July 1871.
Settlement Commissioner's No. 37, dated 12th June 1871.
Financial Commissioner's No. 4799, dated 31st July 1871.
Settlement Commissioner's No. 50, dated 27th July 1871.

The reports written by the Settlement Officers of Lahore and Gujránwála will be separately reviewed.

These papers have been furnished by Mr. Prinsep in anticipation of his final reports, as directed in your letter under reply; and on the information now furnished, the Financial Commissioner desires me to make the following remarks regarding the three districts of the Amritsar Division only.

2. The three districts of the Amritsar Division which have been brought under revised Settlement are—Gurdáspur, Amritsar and Siálkot.

These districts under the old settlement were, according to the statement received with Mr. Prinsep's letter of 5th June 1871, assessed as follows:—

	Rs.
Gurdáspur	12,55,922
Amritsar	9,58,324
Siálkot	11,52,647
Total	33,66,893

The assessments imposed by the revised Settlement are, according to this statement—

	Rs.
Gurdáspur	12,73,369
Amritsar	9,43,117
Siálkot	11,22,914
Total	33,39,460

including water advantage rate (for what year is not stated). This gives an initial decrease of Rs. 27,433. To explain this decrease, Mr. Prinsep furnishes three statements :—

(*A*). A statement showing that the new assessments are reasonable according to existing law, based on the assumption that the Government share of produce is equal to half the net assets.

(*B*). A statement showing that the new assessments are reasonable according to existing "batai" rent, or rent in kind.

(*C*). A statement showing that the new assessments are reasonable according to existing money-rents. A synopsis is also furnished showing the financial results of the new assessments.

3. Mr. Prinsep has also submitted a note on the principles pursued in the revised assessment of the Amritsar Division and other districts, of which note the following is an abstract. In order to arrive at proper conclusions as to the fairness of the new assessments, Mr. Prinsep states that the processes described in the Siálkot Settlement Report (paras. 192 to 253) have been generally followed.

4. A produce estimate was made out, Mr. Prinsep states (though this paper has not been submitted), and the average of price currents for the last thirty years struck. From this estimate it is found that agricultural produce has risen in value 50 or 80 per cent. during the twenty years ending with 1865.

The rise in the value of produce is, however, Mr. Prinsep considers, partly due to drought. Two famines have occurred within the last twenty years. The average price for wheat has therefore been taken at from 32 to 40 seers per rupee. If a period of thirty years be taken, this average is said to be approximately correct. Allowing, however, that the value of agricultural produce has risen as much as 50 to 80 per cent., it should be remembered, Mr. Prinsep states, that the cost of cultivation has increased by 50 per cent.; so that on a 30 years' calculation the actual increase, after considering cost of cultivation, is only 20 per cent.

"Batai" rents, or rents in kind, are found to represent the same share of produce as they did twenty years ago, and rents in cash have risen to only, at the most, from 20 to 30 per cent. above the jama.

This rise in rents was effected at the new settlement, as the Punjab Civil Code prohibited any enhancement of rent being made against tenants having rights of occupancy during the currency of settlement. Land has certainly risen in value; but this is due, Mr. Prinsep thinks, to the security of our rule, and not to any marked rise of rents.

Taking from 50 to 80 per cent. as the rise in the value of produce, 50 per cent. for increased cost of cultivation, 14 to 18 per cent. as the rise in money-rents—rents in kind remaining as they were before,—Mr. Prinsep considers no more than 20 per cent. can be taken as a fair mean for a standard of increased values. The new rule that 50 per cent., and not 96 per cent. of net assets are to be taken has also to be carried out.

This entails a reduction of 9 per cent. according to Mr. Prinsep's calculation, and the share of produce now taken will represent $\frac{1}{6}$th of the gross produce instead of $\frac{1}{4}$th as formerly. Mr. Prinsep considers that the reductions due to the enforcement of this 50 per cent. rule, explains sufficiently the lowness of his assessments. He also considers that his assessments have left a margin of 15 per cent. for local taxation.

5. Before going into the statements drawn up by Mr. Prinsep, showing the results of assessments made on the principles which he enunciates, it seems desirable to consider whether the arguments on which these principles rest are sound.

The value of produce is said to have risen by 50 to 80 per cent. This is excluding from the calculation prices since 1865-1866, years subsequent to the revised settlement, when prices were abnormally high. This year, 1871, prices have fallen again.

6. The calculation of the rise in the value of produce is made from the selling prices of wheat, maize, and rice, &c., and, as far as it goes, seems to be a fair one; but it would be more satisfactory, if it had been made for all the chief kinds of agricultural produce, instead of for three only. That the cost of cultivation has increased by as much as 50 per cent. seems open to question. The facts upon which the conclusion is based are not fully stated.

Admitting that the price of cattle has risen greatly, this will not raise the cost of cultivation by the amount stated. There is little hired labor employed in cultivation, and though the value of the labor of the cultivating proprietor may be considered to be worth more than formerly on account of the

general rise in the value of labor, yet this rise is not perceptible to the cultivating proprietor himself.

As regards "batai" rents, which are said to retain the same proportion to produce as they did twenty years ago, a change in the amount of the share of produce taken could hardly be expected to occur; and it ought to be remembered that the share of produce paid is worth, by Mr. Prinsep's own showing, 50 to 80 per cent. more than it was twenty years ago. Money rents have risen by only 14 to 18 per cent. above the jama; Mr. Prinsep calculates a rise of from 12 and 14 per cent. above the jama to 20 and 30 per cent. above it as a rise of only 14 to 18 per cent. approximately; in the rate of rent, whereas it is a rise from 75 to 100 per cent. on the rent, and although the money rents are low, yet the fact that the rates have nearly doubled in the course of ten years shows a very decided increase of prosperity: so that this argument for keeping the jama low breaks down. It would rather seem as if the jama had been the criterion by which rents have been fixed. The jama being so much, so much additional has been charged as rent. Of the whole area of the three districts, not one-fifth is held by tenants paying in kind. Of late rents at Amritsar have been enhanced by as much as 100 to 150 per cent. above the jama. These enhancements have been made subsequently to the revised settlement, but they show that rents have a tendency to rise.

7. As regards the increased value of land, it is certainly due to the security afforded by our rule, but this security means security of enjoying something which has increased greatly in value. The rise in the price of the land cannot be attributed solely to the increased security of enjoyment afforded under our rule of what the people previously possessed,—something must be also due to the increased value of produce.

8. The strong point in Mr. Prinsep's arguments showing the necessity of low assessments is that Government now takes 50 per cent. instead of 66 per cent. of the net assets,—that is $\frac{1}{6}$th instead of $\frac{1}{4}$th of the gross produce, but even then, if we calculate that there has been a net rise in value of produce of 20 per cent., and deduct 9 per cent. on account of the new rule of assessment, Mr. Prinsep himself leads us to expect an increase of 11 per cent. in the assessment which has not been obtained.

9. Having considered the principles on which the new assessments have been made, the Financial Commissioner now reviews the fiscal result of these assessments.

10. Statement A. is framed to show that under the new rule of assessment, and taking 20 per cent. as the mean standard of progress, a fair assessment has been made.

* See line E, Statement A.

The standard jama arrived at in this way is*—

	Rs.
Gurdáspur	13,71,368
Amritsar	10,46,488
Siálkot	13,83,176
Total ...	38,01,032

The jama actually taken is, including canals or water advantage rate,—

	Rs.
Gurdáspur	12,73,369
Amritsar	9,43,117
Siálkot	11,22,914
Total ...	33,39,400

That is in—

Gurdáspur	97,999
Amritsar	1,03,371
Siálkot	2,60,262
Total ...	**4,61,632**

less than the standard jama.

*See Synopsis, line 2.

The increase of cultivation has been*—

	Acres.
Gurdáspur	16,076
Amritsar	50,592
Siálkot	52,816
Total ...	1,19,484

or 5 per cent., but in this Statement (A.) only the rise in value of produce and rates of money rents, checked by the rise in cost of cultivation and by the diminished proportion of the Government share, are considered; the increase in cultivated area and in area irrigated are not taken into account as they should have been.

STATEMENT A.

	Standard jama.	Proposed jama.
Gurdáspur	13,71,368	12,73,369
Amritsar	10,46,488	9,43,117
Siálkot	13,83,176	11,22,914

The statement is framed allowing for a rise of 20 per cent. in values; and on this calculation, it seems hard to explain why there should be more than double the difference between the standard and actual jamas of Siálkot that there is between the standard and actual jamas of Gurdáspur and Amritsar.

11. But besides the 20 per cent. increase which may be expected to arise from the causes stated by Mr. Prinsep in Statement A., it is necessary to take into account the enhancement due to—

I.—Increase in cultivation, which amounts, as stated above to—

2 per cent. in Gurdáspur.
7 per cent. in Amritsar.
7 per cent. in Siálkot.

II.—Increase in irrigated area, which amounts to—

13 per cent. in Gurdáspur.
9 per cent. in Amritsar.
4 per cent. in Siálkot.

If, therefore, 20 per cent. is taken to be the average net enhancement of value of Government revenue in the three districts, the actual totals, including the figures last given, will be as follows:—

Gurdáspur	20+2+13=35
Amritsar	20+7+ 9=36
Siálkot	20+7+ 4=31

12. Statement B. is framed to show that the new assessments are reasonable according to existing "batai" rents, or rents in kind.

The whole area of cultivated land held by tenants of all classes is as follows:—

	Acres.	Per cent. on total cultivation.
Gurdáspur	2,31,000	31
Amritsar	2,07,000	24
Siálkot	1,77,000	28

Of this, the following proportion is held by tenants paying batai:—

	Acres.	Percentage on area held by tenants.
Gurdáspur	1,07,000	46
Amritsar	94,000	45
Siálkot	44,000	24

13. The amount of land held at "batai" rents is not considerable. It is about 1/7th in Gurdáspur, 1/8th in Amritsar, and 1/12th in Siálkot. The general rates of "batai" are:—

Gurdáspur	1/2
Amritsar	2/5ths
Siálkot	2/5ths

The value of the gross produce is estimated to be in—

	Rs.
Gurdáspur	84,09,384
Amritsar	62,67,170
Siálkot	81,98,478

Out of this, 33 per cent. are deducted for expenses of cultivation in Gurdáspur, and only 25 per cent. in Amritsar and Siálkot. The gross outturn is thus 66 per cent. in Gurdáspur, and 75 per cent. in Amritsar and Siálkot. Half of this goes to the cultivator and half remains to be divided between Government and the proprietor. There is no explanation as to why there is a difference of 8 per cent. in the cost of cultivation between Gurdáspur and the other two districts. The Government share of produce at $\frac{1}{6}$th is estimated to be in—

	Rs.
Gurdáspur	14,01,564
Amritsar	9,39,771
Siálkot	12,19,307
Total ...	35,60,642

The jama actually taken is, including canals—

	Rs.
Gurdáspur	12,73,369
Amritsar	9,43,117
Siálkot	11,22,914
Total ...	33,39,400

That is Rs. 2,21,242 less than the half asset estimate made by Mr. Prinsep. Here again no reasons are given why in Amritsar the jama actually taken should almost correspond with the half asset estimate, whilst in Gurdáspur the jama is less by Rs. 1,28,195, and in Siálkot it is less by Rs. 96,393.

14. There are no means of testing the produce estimate, as the only form supplied is No. 6, which gives only the actual area under each kind of crop and the percentage to the whole area. The produce and yield statements and the price currents have been mislaid, and are not available; should they be found or supplied a fresh, a separate memo. can be drawn upon them.

15. But, in order to test roughly the accuracy of the estimate of value of the gross produce, the following method may be used :—

Take former jama; add—

(1) Amount of increase for new cultivation.

(2) Amount of increase of irrigation, taking each unit of increase, as = $1\frac{1}{4}$ in money value; for, if an unirrigated acre is worth Re. 1, an irrigated acre will be worth at least $2\frac{1}{4}$; the enhancement of value due to 1 per cent. in irrigated area is = $1\frac{1}{4}$ per cent. in general value.

(3) Percentage of increased value of produce; multiply the result by the denominator of the fraction representing the Government share of produce at former settlements ($\frac{1}{4}$th or $\frac{1}{6}$th). The result will give approximately the gross value of produce of which $\frac{1}{6}$th is the share to be taken according to the present calculation as belonging to Government.

GURDASPUR.

Rs.	*Old Jama (line A, Statement A.)*
12,55,922	
25,118	2 per cent. increase of cultivation (column 3 of Synopsis).
12,81,040	
2,00,947	16 per cent. increase of irrigation (column 4 of Synopsis 13 × $\frac{5}{4}$).
14,81,987	
4	Government share at old settlement = $\frac{1}{4}$ (heading of Statement A).
59,27,948	
47,42,356	80 per cent. increased value of produce.
1,06,70,304	
35,56,768 = $\frac{1}{3}$ net profits.	Statement B.
17,78,384 = $\frac{1}{2}$ net assets.	Statement B.
14,01,564 = Mr. Prinsep's calculation.	Statement B.
3,76,820 = Difference.	

AMRITSAR.

Rs.	*Old Jama (line A., Statement A.)*
9,58,324	
67,081	7 per cent. increase of cultivation (column 3 of Synopsis).
10,25,405	
1,05,415	11 per cent. increase irrigation 9 × ¼ (column 4 of Synopsis).
11,30,820	
4	Government share at old Settlement = ¼ (heading of Statement A).
45,23,280	
36,18,624	·80 per cent. increased value of produce.
81,41,904	
24,42,571 = $\frac{3}{10}$ net profits.	Statement B.
12,21,285 = ½ net assets.	Statement B.
9,39,771 = Mr. Prinsep's calculation.	Statement B.
2,81,514 = Difference.	

SIALKOT.

	Old value of Jama (line A., Statement A.)
11,52,647	
80,685	7 per cent. increased cultivation (column 3 of Synopsis).
12,33,332	
57,632	5 per cent. increase of irrigation × 4 × ¼ = 5 (column 4 of Synopsis).
12,90,964	
6	Government share at old Settlement = ⅙.
77,45,784	
61,96,624	Add 80 per cent. increased value of produce.
1,39,42,408	
40,92,720 = Net profits at $\frac{3}{10}$ths.	
20,46,360 = ½ net assets of Government share.	
12,19,307 = Mr. Prinsep's calculation.	
8,27,053 = Difference.	

The total difference between Mr. Prinsep's estimate of the value of the gross produce and the estimate obtained in this manner is thus Rs. 14,85,387, or 41 per cent. above Mr. Prinsep's estimate of value of ½ asset share, and 44 per cent. above the actual jama. It will be observed that the estimate comes out higher in proportion to the smallness of the Government share estimated to have been taken at the former settlement, and this makes the difference higher in Siálkot than in either of the other districts. It may be said that 80 per cent. is too much to assume as a rise in the value of produce. Mr. Prinsep says the rise has been from 50 to 30 per cent. Taking the mean as 65 per cent., the assessments are still 27 per cent. too low according to this calculation.

16. Statement (C.) shows that the new assessments are reasonable according to existing money rents.

17. The Statement appended to para. 15 of this letter shows the proportion which the land held by tenants bears to the whole area cultivated—46 per cent. of the tenants in Gurdáspur, 45 per cent. in Amritsar, and 24 per cent. in Siálkot, pay in kind, and the remainder pay at money rates. The proportion of the cultivated area held by tenants paying at money rates is 21 per cent. of the whole cultivated area. Cash rents were little used in the Division before the British rule, and at the first settlement, from various causes, they were fixed at low rates. It is quite impossible, therefore, the Financial Commissioner thinks, to draw any thing approaching to a fair conclusion regarding the assessment which may be taken in the districts of the Amritsar Division from the rates of money rents which have been paid heretofore. The former assessments were not fixed with any reference to rent, rate, and the payment called malikána, or owners' dues, was fixed, as above stated, with reference to the Government assessment, that is, after the assessment had been fixed, a percentage on it was fixed as the rate which the tenant should pay. The money-rates apply, however, to such a small proportion of the area that it would not be right to

draw conclusions regarding the whole of it from such rates, however trustworthy they may be for the lands where they are taken. Where so large a proportion of the cultivated land is occupied by cultivating proprietors, it is evident that the Government demand may be fixed much higher than it can be where a proprietor comes between the tenant and the Government.

18. Taken for what it is worth, this statement shows that the greater proportion of tenants paying in money pay 20 per cent. above the jama,—1,10,367 acres in the three districts pay at 20 per cent. and only 20,841 acres at 30 per cent.

Mr. Prinsep, however, assumes 50 per cent. above the jama to be the standard rent, and adding for increased value of produce and new cultivation, calculates the jama from money-rents thus—

	Rs.
Gurdáspur	11,01,942
Amritsar	9,13,743
Siálkot	10,68,670
Total ...	30,84,355

or Rs. 2,70,790 less than the jama actually taken.

19. The difference between the standard jama of this statement and that actually fixed is Rs. 1,71,427 in Gurdáspur as against Rs. 39,372 in Amritsar and Rs. 69,929 in Siálkot.

20. Having analysed the principles of assessment, and the three statements showing the results arrived at in accordance with these principles, it is desirable now to state the conclusions which the Financial Commissioner draws from the general assessment statistics of the three districts of the Amritsar Division, as given by Mr. Prinsep.

21. The initial decrease is Rs. 27,433 in the three districts. By adding $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent. for new cesses, this decrease becomes an increase of 1 lakh to 3 per cent.

This, Mr. Prinsep considers, leaves a margin of $10\frac{1}{2}$ to $11\frac{1}{2}$ per cent. which represents the remaining difference between 66 per cent. and 50 per cent. of the net profits. This margin can be used for local taxation. This margin of 15 per cent. (which is really 16 per cent.) has been deliberately abandoned by Government, and should not therefore be again added to the new assessment in order to show an initial increase of revenue. It should be put altogether out of account, and if the cesses are omitted, an initial decrease of Rs. 27,433 remains. After ten years we get, excluding cesses, an increase of—

	Rs.
Gurdáspur	48,417
Amritsar	68,692
Siálkot	23,590
Total ...	1,50,699

or about $5\frac{1}{2}$ per cent. It is only by including cesses that Mr. Prinsep, in his Financial Synopsis, shows a general increase of 21 per cent. on the three districts after 10 years (Appendix B. of the Synopsis).

22. Testing Mr. Prinsep's assessments by his own statement, they seem to Financial Commissioner to have been pitched lower than was necessary or advisable. With an admitted rise in the value of produce of from 50 to 80 per cent. the revenue has been reduced, and none of the arguments used by Mr. Prinsep to justify this reduction appear to Mr. Egerton sufficient.

The change in the principle of assessment necessitated, in theory, a reduction of 16 per cent.

But in the absence of any proof that the former assessments had been fixed on this basis, it was not necessary to make this theory the leading point for guidance in fixing the new assessments as Mr. Prinsep has done. It appears

to Mr. Egerton that a new calculation of the value of one-half of the net rental, based upon carefully prepared produce estimate, would have given more satisfactory data for assessment. No details regarding the value of produce have been furnished, and from paras. 6, 7, 8 of Mr. Prinsep's letter No.—of 14th June 1871, it appears that it was not supposed that such information was likely to be required when the assessments were examined. From this fact, therefore, the Financial Commissioner infers that the produce estimates were not considered of the first importance in fixing the assessments, as they undoubtedly are in a country where rent rates do not exist.

23. It is true that the reduction which was made in the proportion of the net assets, which the Government claims to take under the order* marginally quoted would, if the old assessments were fixed strictly according to rent rates, produce a reduction in the assesement of 16 per cent., and it may be admitted that this reduction should be allowed in calculating the new assessments. If this allowance is made no credit should be taken for new cesses which come out of this margin; 16 per cent. is the amount to be deducted from the old assessments, and not 9 per cent.; for the difference between one-half and two-thirds is = difference between three-sixths and four sixths or = one-sixth, and one-sixth $=16\frac{2}{3}$ per cent. But the other causes which operate more than counterbalance this reduction, and, taking the sum of the enhancement and reductions, the result appears to come out as follows from Mr. Prinsep's own figures in Statements A. and B.

*Secretary to Government Punjab, No. 1687, dated 7th November 1860, to Financial Commissioner.

Gurdáspur	$20\times2\times13=35$ $16=\times19$ per cent.
Amritsar	$20\times7\times\ 9=36$ $16=\times20$ per cent.
Siálkot	$20\times7\times\ 4=31$ $16=\times15$ per cent.

But the mean of 20 per cent., which has been assumed in these statements to represent the increased value of produce after deducting the increased cost of cultivation, appears too low a percentage; for the rise in rent, which is one of the elements of calculation for this mean is taken at 16 to 18 per cent. while it has really been from 75 to 100 per cent. on the former rent. The rent has, therefore, risen quite in proportion to the rise in the value of produce, and not in smaller proportion, as Mr. Prinsep assumes it has, apparently from a mistake in calculation.

In Statement A., therefore, the standard jama should be Rs. 14,94,543 for Gurdáspur, or Rs. 1,23,175 more than the standard jama and Rs. 2,21,174 more than the jama fixed.

In Amritsar the jama should be Rs. 12,55,785, or Rs. 2,09,297 more than the standard jama and Rs. 2,92,668 higher than the jama actually fixed. In Siálkot the jama should be Rs. 15,27,418, or Rs. 1,44,232 more than the standard jama, and Rs. 4,04,504 more than the jama actually fixed.

24. The deduction then from Statement A. is that, after calculating the percentages of increase and decrease and allowing a reduction of 16 per cent. on account of the new principle of assessing at 50 per cent. of the net assets, the standard jama is Rs. 4,76,704 in the three districts below what it ought to be, and the jama actually fixed is Rs. 9,18,346 below the standard jama.

Mr. Prinsep's actual jama is Rs. 4,61,632 below his standard jama (lines E. and F., Statement A), so allowing for the difference, the actual loss according to Statement (A) is Rs. 4,56,714, or 13 per cent. on the jama actually taken.

25. Now turn to Statement B., which is intended to show the reasonableness of the new assessments according to existing rents in kind.

In this statement the Government share of produce or one-half net assets is calculated on the gross produce by deducting expenses of cultivation and the cultivator's share. There are no means of testing the produce estimate of the new settlement, but taking the very simple method of assuming that the jama fixed at the old settlement represented $\frac{1}{4}$th produce in Gurdáspur and Amritsar

and $\frac{1}{6}$th produce in Siálkot, as Mr. Prinsep assumes that it did (heading of statement A.), adding to the total gross produce found the percentage of increased irrigation and cultivation, multiplying the result by the denominator of the fraction representing the share of gross produce taken, and adding 80 per cent. for increased value of produce, we find that the one-half asset share of gross produce is Rs. 50,40,029 instead of Rs. 35,60,642 as given by Mr. Prinsep, which makes a difference of Rs. 14,85,387, or 41 per cent.

VALUE OF GROSS PRODUCE.

	Mr. Prinsep's estimate.	Rough estimate by the method indicated.
	Rs.	Rs.
Gurdáspur	14,01,564	1,06,70,304
Amritsar	9,39,771	81,41,904
Siálkot	12,19,307	1,39,42,408
Total ...	35,60,642	3,27,54,816

26. This estimate seems a perfectly fair one if the jamas of the last settlement were worked out, as Mr. Prinsep assumes that they were; but, of course, such an estimate as this can only be a rough one worked out in the absence of a produce and yield statement, which has not been supplied. Probably the jama of last settlement was in Gurdáspur and Amritsar not actually equal to $\frac{1}{4}$th of the gross produce, still the test applied to Statement B. is sufficient to show that there has been a considerable loss of revenue according to the figures in this statement.

27. The next Statement C. shows the reasonableness of the new assessments according to rent in cash.

The Financial Commissioner has already remarked that only 21 per cent. of the cultivated area is held by tenants paying in money; that money rents have, as a matter of fact, risen by 75 to 100 per cent., and not by 14 to 18 per cent., as Mr. Prinsep erroneously states. In short, Financial Commissioner considers that in the districts of the Amritsar Division no proper deductions can be drawn from money rents.

28. In considering the new assessments of the Amritsar Division, the Financial Commissioner is of opinion that the new principle of well assessments introduced by Mr. Prinsep has, in a great measure, caused the assessments of the Amritsar Division to be fixed lower than was necessary. A separate letter has been addressed to you, No. 72 S., of this date, in which the principles of the new system and its results have been reviewed at length; but, as far as they affect the general assessments of the Amritsar Division, the results must be briefly recapitulated here. In the two districts of Amritsar and Siálkot in which there were materials for making the comparison, the old well rates have been applied to the new well irrigated area and the results compared with the new well rates composed of a "baráni" rate for the land, and of a fixed rate for wells.

The figures elicited in this manner show that in the Amritsar District, which was assessed at the last settlement on the principle of taking $\frac{1}{4}$th the gross produce as the share of Government, the loss has been 29 per cent. on the irrigated area or Rs. 1,54,256, and in the Siálkot District, which at last settlement was assessed on the principle of taking $\frac{1}{6}$th as the Government share of gross produce, the loss has been 15 per cent. or Rs. 1,22,782. In the Amritsar District the total irrigated area is shown in Statement V., and the area irrigated from canals and from wells has not been separated off, so that the figures for that district are probably too high. Water-advantage rate is Rs. 34,000 in Amritsar (line 20 of Synopsis) so, if canal-irrigated area is included in column 14 of Statement V., it would make that amount of difference. For the Gurdáspur District this comparison could not be made, as the old well rates were not always given; but in the Gurdáspur Parganah previously assessed on the old principle, the loss has been only 11 per cent. After carefully considering the arguments used by Mr. Prinsep and the statements furnished by him, the Financial Commissioner cannot but conclude that the assessments of the Amritsar Division have been fixed too low. This is due, Mr. Egerton thinks, partly to Mr. Prinsep not having taken a carefully made produce and yield estimate as his chief guide in fixing his standard jama, and partly to the new system of well assessments introduced by Mr. Prinsep.

29. The assessments have been announced and worked for a period varying from 5 to 7 years. The assessment of the water-advantage revenue was made a little more than two years ago, and the arrears due on this account are in course of collection. The Financial Commissioner does not, therefore, consider that any general revision of the land revenue assessment, with the view to enhancement, should be made immediately, as such a revision would be highly unpopular.

There are, Mr. Egerton thinks, two courses open to prevent the great loss of revenue which must occur if this settlement is sanctioned for 30 years.

I.—The rate on wells may be revised and enhanced, and the settlement sanctioned for a period of 15 years.

II.—Or, the existing assessments may be allowed to stand, and the settlement sanctioned for a term of ten years only.

Of the two courses, the second appears to Mr. Egerton the best. If it is adopted, the annual village papers can be prepared with special care during this years which will remain for the settlement to run, and statistics for the revised assessment can be collected gradually, which will enable the revising officer, when the time comes, to fix the new assessments fairly without revising the measurements or any of the papers in the record of rights, except those which relate to the distribution of assessment.

30. The Financial Commissioner has reviewed in detail the statistics furnished by the Settlement Commissioner regarding the assessments of the Amritsar Division.

These statistics have been furnished long after the assessments were made and after they have been worked for a number of years, during which some seasons of scarcity have occurred which have been of peculiar advantage to the agricultural classes in the districts of the Amritsar Division, where the cultivation is protected from drought by ample means of irrigation. The value of agricultural produce has been greatly enhanced by these circumstances during the last few years since settlement, and the attention of many persons has been attracted to the statements which have been made to the effect that the assessments of the Amritsar Division are lower than they might have been by the articles which have appeared in the *Indian Public Opinion* newspaper within the last six months.

31. Mr. Prinsep seems to have written the present report, and to have compiled the statistics, which accompany it, in some degree, if not entirely, with a view to defend his assessments from the attacks which have been made on them, rather than to present a complete view of the considerations which guided him in fixing those assessments. As the Financial Commissioner himself, as Deputy Commissioner of Gurdáspur, revised the assessments of Shakurgarh in the Gurdáspur District, the parganah which came first under the operations of the new settlement, he is able to state from personal knowledge that no such elaborate calculations, as are here presented, were made before the assessments were revised by him. The new settlement was made early in 1862, and Mr. Egerton inspected the villages previous to revising the assessments in the cold weather of 1861-62. The mode followed was a very summary one. The Tahsíldár furnished a statement of the villages of his parganah divided into three classes:—

(1) Villages in distress.
(2) Villages fairly off.
(3) Villages well off.

It was intended to grant reductions in those of the first class, to retain unaltered the assessments of villages of the second class; and to enhance the assessments of the third class. The villages were all inspected, the areas according to the annual papers examined, and the new assessments announced after reviewing the rough statistics, which were available without new measurements being undertaken. No new rates were worked out; no produce or

rent rates were prepared; and the revision was made on the conclusion formed *á priori* from general information that the parganah was one in which no increase of assessments could be expected. The assessment thus made is, the Financial Commissioner believes, that which is now in force in Shakurgarh.

32. Mr. Prinsep was appointed Settlement Commissioner in 1863, and the rest of the settlement of the Amritsar Division was made under his directions. His system of revision was far more complete and elaborate than that with which the first operations began, and the Financial Commissioner in stating what was done in the first instance, does not mean to compare the rough method which was employed in Shakurgarh with the system which was afterwards followed; but he believes that the ideas regarding assessments which prevailed when revision was begun are not understood now, and, when observing the present state of prosperity which exists, few people can realize the rapidity with which that state has arisen.

33. There is no doubt that when the assessments were revised there was no indication of a general policy of enhancing them. It was thought that the prosperity of the agriculturists was an essential condition for governing them easily, and it was not considered that the prosperity which then existed was sufficiently great or certain to warrant a general increase in the assessment. Mr. Egerton believes fully that these general considerations operated very much in preventing the Settlement Commissioner from working for an enhancement in the assessments of the Amritsar Division, and he believes that if the assessment had been reported for sanction within a year after they had been fixed, they would have been sanctioned without hesitation by the Government of the time. They were not, however, so reported formally nor sanctioned in any way which would make it necessary for Government to confirm the settlement for a period of 30 years. Circumstances have occurred since the revision took place which show that the prosperity of the agricultural classes was more certain and enduring than was supposed; and Mr. Egerton, having received the report and statistics which Mr. Prinsep has submitted on his assessments, thinks himself bound to review them as they stand, and in the light of events which have occurred during the period which has elapsed since they were made.

34. He is obliged, however, to make the foregoing remarks, because he considers that Mr. Prinsep has urged reasons for assessment in these papers which were not considered of much importance at the time when the assessments were made in determining the demand; and he considers the report is rather an argument *ex post facto* in defence of the assessments made than a narrative of the reasons which led to certain rates being adopted when the settlement was revised. It must be remembered that Mr. Prinsep's report is of an intermediate character, and that the final Settlement Reports of the three districts under notice may, perhaps, contain further statistics, and give further details regarding these assessments.

35. The Settlement Commissioner has, in a recent letter No. 50, of 27th July 1871, promised to submit the assessment chapters of his final Settlement Reports on the districts of the Amritsar Division by an early date, but the subject is so important, that the Financial Commissioner does not consider it right to defer this communication until the promised reports are furnished. I therefore submit the papers furnished by the Settlement Commissioner with these remarks for the orders of Government.

No. 878, dated 24th June 1872.

From—Lepel Griffin, Esq., Offg. Secretary to Government, Punjab and its Dependencies,
To—The Secretary to Government of India, Department of Agriculture, Revenue and Commerce.

In reply to your No. 460, dated 23rd May last, on the question of the revised assessments introduced by the Settlement Commissioner, Punjab, I am desired to forward printed copy of the proceedings of the Hon'ble the Lieutenant-Governor on the subject, together with the papers in original, as per annexed list, which I have to request may be returned when done with.

List of original enclosures.

STATEMENTS A., B. and C. showing reasonableness of fiscal results of new assessments. Synopsis of financial results of new assessments.

Form No. V. (3 statements) being abstract of village note-book of area, resources, jama and rates of parganahs Ajnála, Tarn Táran and Amritsar in the Amritsar District.

Form No. V. (4 statements) being abstract of village note-book of area, resources, jama and rates of parganahs Batála, Shakargarh, Pathánkot and Gurdáspur, in the Gurdáspur District.

Map showing assessment circles in the Amritsar Division.

Proceedings of the Hon'ble the Lieutenant-Governor, Punjab, in the Department of Agriculture, Revenue and Commerce.—No. 879, dated 24th June 1872.

READ—

Letter from the Government of India, Department of Agriculture, Revenue and Commerce, No. 460, dated 23rd May 1872.

Letter from Secretary to Financial Commissioner, Punjab, No. 70 S., dated 17th August 1871, and annexures.

Read also—

Letter No. 155 S., dated 19th October 1871, from Secretary to Financial Commissioner, forwarding Settlement Report of the Lahore District.

Letter No. 26, dated 8th January 1872, to Secretary to Financial Commissioner, communicating orders thereon.

Letter No. 867, dated 30th October 1871, from Secretary to Financial Commissioner, forwarding Settlement Report of the Gujránwála District.

Letter No. 704, dated 16th May 1872, to Secretary to Financial Commissioner, communicating orders thereon.

Letter No. 868, dated 30th October 1871, from Secretary to Financial Commissioner, forwarding Settlement Report of the Gujrát District.

Letter No. 705, dated 16th May 1872, to Secretary to Financial Commissioner, communicating orders thereon.

RESOLUTION.—The Financial Commissioner, in his letter No. 70 S., dated 17th August 1871, stated that the Settlement Commissioner had promised to submit the assessment chapters of his Final Settlement Reports on the districts of the Amritsar Division by an early date. Mr. Prinsep, notwithstanding the interval that has elapsed and his relief for some months past from all other work, has failed to keep his engagement; and the Lieutenant-Governor finds himself compelled to come to a conclusion regarding these important settlements on data which the Financial Commissioner conceives not to be those forming the actual basis of the assessments, but to have been elaborately prepared to meet newspaper criticisms on the inadequacy of the results.

2. Whilst, at the time of declaring the assessments, the returns showed an increase of cultivation and irrigation, and the price of agricultural produce had, as it is stated, risen from 50 to 80 per cent., the aggregate revenue for the whole division was reduced by rather more than a quarter of a lakh of rupees.

3. This unexpected result is justified at great length and by various tests by Mr. Prinsep, who has been closely followed in his calculations by the Financial Commissioner, who not only questions their detailed correctness, but considers that they are not the real foundation of the assessment, having been subsequently compiled for the refutation of popular strictures. Under these circumstances, it is, in the Lieutenant-Governor's opinion, useless to enter minutely into the problematical issues raised by these complicated statistics; nor does he see cause to dissent from the practical conclusion arrived at by the Financial Commissioner, that the assessment is on the whole too low, and that the error is mainly attributable to an inadequate estimate of the outturn and value of produce, and to the diminution made in the rates assessed on lands irrigated from wells.

4. For similar reasons, a similar conclusion has been arrived at by His Honor on a review of the detailed Settlement Reports for the Districts of Lahore, Gujránwála and Gujrát, and, on the recommendation of the Financial Commissioner, the term of these settlements has been limited to ten years.

5. It being admitted that these assessments are too low, three remedial expedients have been suggested—

(1). To raise the valuation of the wells.

(2). To raise the unirrigated rates on the whole cultivated area.

(3). To limit the term of assessment to ten years.

6. The third course is advocated by the Financial Commissioner, and appears to His Honor the least open to objection. The delay which has taken place in reporting the assessment, and the impression acquired by the people of its contractual character, render it inexpedient to withhold the confirmation of Government for a ten years' term. Moreover, the recent imposition of an extra cess on land, and the dissatisfaction still felt in respect of the collection of arrears of water-advantage rate, are recognized as additional reasons for refraining from arousing the widely-diffused discontent that would inevitably pervade the numerous and important section of the agricultural community interested on the summary annulment by authority of their revenue engagements.

7. On the other hand, to prolong the settlement beyond ten years seems to the Lieutenant-Governor unnecessary and imprudent. The expired settlement was for the same term, which is fully sufficient, under the unduly favorable conditions of the assessment, to ensure the recovery of capital expended. Further extension of the term might, by inducing habits of indolence and ease, render an assessment of the land revenue according to the rules prescribed by the Government a matter of future difficulty.

ORDER.—Ordered that copy of the foregoing Resolution be sent to the Financial Commissioner, in reply to his letter No. 70 S., dated 17th August 1871, with the intimation that the settlements of the Gurdáspur, Amritsar and Siálkot Districts will, when the final reports are submitted, be confirmed for a term of ten years only, and that the engagements taken for the land revenue should be revised.

No. 926, dated Simla, 25th September 1872.

From—A. O. HUME, Esquire, C.B., Secretary to the Government of India,

To—The Secretary to Government, Punjab.

I AM directed to acknowledge the receipt of your letter No. 878, dated 24th June 1872, forwarding papers showing the action taken by His Honor the Lieutenant-Governor in regard to the land revenue settlement of the districts of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát.

2. It would serve no useful purpose now to review in detail the settlement reports of these districts. This has already been done by the Financial Commissioner with great thoroughness, and the Governor-General in Council sees no reason whatever to doubt the correctness of the general conclusion arrived at by Mr. Egerton and accepted by the Lieutenant-Governor, that in every district the assessment is decidedly too low, and involves a sacrifice of the just rights of the State. At the same time, the Governor-General in Council is convinced that the course adopted by the Lieutenant-Governor of confirming these assessments, however inadequate, for a term of 10 years, is under the circumstances and for the reasons stated in paragraphs 6 and 7 of His Honor's Resolution, dated 24th June last, the wisest that could have been followed, and the orders contained in that document are entirely approved by the Government of India.

3. It is understood that the term of 10 years will commence to run from the dates on which the assessments were respectively given out by the settlement officers. In the districts of the Amritsar Division, from five to seven years* of this period have already elapsed. In the other three districts it is not manifest from the papers now before the Government of India from what exact date the term of assessment will be calculated; but here, too, a

*See paragraph 29 of letter from Secretary to Financial Commissioner, No. 708, dated 17th August 1871.

considerable portion of the period of 10 years must have elapsed. The Governor-General in Council will be glad to be assured that he has correctly interpreted the orders of the Lieutenant-Governor upon this point.

4. For these unsatisfactory results, His Honor the present Lieutenant-Governor and Mr. Egerton are in no way responsible, and the Governor-General in Council is confident that no such abandonment of legitimate revenue will be permitted in future settlements. But His Excellency in Council cannot disguise from himself the fact that this issue is mainly due to the Settlement Commissioner, Mr. Prinsep, having omitted for a long period to fulfil a most important branch of his duties. With high abilities, valuable experience, and a deep interest in the welfare of the people, Mr. Prinsep was in many ways remarkably qualified for the conduct of the revised settlement of the Punjab; and though, as already stated, the Governor-General in Council believes that the assessments were unnecessarily low, this was an error which might have been corrected, had not Mr. Prinsep altogether neglected to lay before his official superiors the data upon which his conclusions were based. The Government has to this day, notwithstanding the frequently repeated orders which have been issued, completely failed to obtain from Mr. Prinsep the reports which, as Settlement Commissioner, it was his duty to submit. In regard to the settlements in the Amritsar Division, which have been pending for a long series of years, the only data which Mr. Prinsep has furnished are pronounced by the Lieutenant-Governor "not to be those forming the actual basis of the assessments, but to have been elaborately prepared to meet newspaper criticisms on the inadequacy of the results." In regard to the settlements of the three other districts, Mr. Prinsep has furnished no reports whatever, and every attempt to obtain a report having failed, the Financial Commissioner has been compelled himself to review the original reports of the Settlement Officers. One of these reports—that for the District of Gujránwála—was submitted to the Settlement Commissioner in October 1868, and the other two reports in the year 1870. Thus Mr. Prinsep's lamentable dilatoriness has compelled Government to sanction for 10 years an inadequate assessment of six of the richest districts of the Punjab. With the greatest respect for that officer's high character and unquestionable ability, the Governor-General in Council is constrained, though with much regret, to say that, under no circumstances, ought he to be permitted to resume the office of Settlement Commissioner.

5. His Excellency the Governor-General regrets to be obliged to pass these orders in regard to an officer of Mr. Prinsep's sterling worth and high integrity, whose laborious devotion to the public service is so well-known, but even Mr. Prinsep's excellent qualities could not justify the Government of India in permitting any further sacrifices of revenue to be hazarded by his virtual refusal to submit his proceedings promptly for the approval of his superiors. He trusts that His Honor may find it possible to utilize Mr. Prinsep's talents in some other position not inferior to that which he has vacated.

No. 303, dated Calcutta, 10th April 1873.

From—A. O. Hume, Esq., C.B., Secy. to the Govt. of India, Dept. of Agriculture, Revenue and Commerce,
To—The Secretary to Government, Punjab.

In a recent minute His Excellency the Commander-in-Chief has recorded the following remarks:—

"The contentment of the Punjab is perhaps more important to the peace of India than that of any other Province, but the impending reduction of the term of Settlement from twenty to ten years is not regarded without uneasiness as indicating an increased demand.

"In the beginning of the year, when I visited Hazára—a frontier mountain district, which Sir Henry Lawrence often said would be cheaply governed if it paid nothing and remained quiet, and which has often brought its clans into the field at our summons—the Chiefs and people evinced deep disappointment and depression at the increase of the assessment from which they had believed their loyal attachment and services would have protected them."

2. In reference to the first paragraph His Excellency the Governor-General in Council would be glad to learn how far His Honor the Liutenant-Governor shares in the opinion expressed by His Excellency the Commander-in-Chief that the reduction of the term of Settlement is viewed with uneasiness by the population; what His Honor's own personal experience in regard to this subject has been; and what are the opinions entertained in regard to it by the older and more experienced officials.

3. As regards the second paragraph, His Excellency would be obliged by His Honor's instituting personally searching enquiries during his present visit to Hazára, and satisfying himself as to the precise state of the case. If any discontent or disappointment prevails, its exact causes should be accurately ascertained, and any measures calculated to allay it, that may, in His Honor's opinion, be necessary or desirable, should be suggested.

4. In conclusion, I am to express a hope that this matter may receive very early attention, and that the Government of India may be put in possession of His Honor's views on these very important questions with the least possible delay.

No. 595, dated 2nd May 1873.

From—T. H. THORNTON, Esq., Secretary to Government, Punjab and its Dependencies,
To—Secretary to Government of India, Department of Agriculture, Revenue and Commerce.

I HAVE the honor to acknowledge the receipt of your confidential letter No. 303, dated 10th April, desiring an expression of the opinion of His Honor the Lieutenant-Governor in reference to remarks recorded by His Excellency the Commander-in-Chief in reference to the reduction of the term of settlement, and the increased assessment of the Hazára District.

2. In reply, I transmit herewith copy of two minutes recorded by His Honor the Lieutenant-Governor, and copy of a letter by Captain Wace, Settlement Officer, Hazára, to the address of the Financial Commissioner.

3. The first of these minutes deals with the first of the two subjects remarked upon by His Excellency the Commander-in-Chief—*i. e.*, the reduction of the term of settlement, and replies to the enquiries contained in paragraph 2 of your despatch.

4. The second minute, with the accompanying letter from Captain Wace, has references to the second subject commented upon by His Excellency—the increased assessment of the Hazára District,—and is in answer to the requisitions of your 3rd paragraph.

Minute by His Honor the Lieutenant-Governor with reference to para. 2 of letter No. 303, dated 10th April, from Secretary to Government of India, Department of Agriculture, Revenue and Commerce.

1. I do not consider either of the propositions put forward by His Excellency the Commander-in-Chief as calling for categorical contradiction, but I most strongly object to the implication suggested by their juxtaposition.

His Excellency states, firstly, that "the contentment of the Punjab is of more importance to the peace of India than that of any other Province." Be it so.

Secondly, that "the reduction of the term of settlement from twenty to ten years is not regarded without uneasiness, as indicating an increased demand." This seems to me to be true from the necessity of the case.

2. But the implication suggested, as I understand it, is that there is a reasonable fear of the Sikhs breaking out into rebellion on account of the term of settlement being abridged. This I consider to be a mere chimera without the very least foundation. I do not intend to say that there are no contingencies under which a Sikh rebellion might not possibly occur, but simply that the abridgment of the term of settlement is not one of them.

3. Had the assessment been anything at all near the mark, considering the expense and trouble involved in its early revision, it would have been preferable in every way to have confirmed it for the twenty years. It was the *excessive* depreciation of the Government share in the outcome of the land that rendered such a course inexpedient. But in this matter the loss of the Government and of the jágirdárs was the gain of the zemíndárs. The sole reason for abridging the term of settlement was to obtain at its close a fairer estimate of the revenue due to the Government. Hence it follows as a matter of course that the zemíndárs cannot regard the limitation "without uneasiness as indicating an increased demand."

4. But there is not one of these zemíndárs who would for a moment pretend, to any one familiar with their own ideas about their relations with the ruling power, that he is not in duty bound to pay the sum required under the Settlement rules, and fairly estimated. In his mind the wilful evasion of this obligation is a kind of treason not unlikely to involve him and his family in serious trouble.

5. The people concerned know that it was of pure bounty on the part of Government that the revenue demand in this Province was reduced from two-thirds to one-half of the net assets of the land, and the present generation which commonly paid one-half of the gross produce is still living to remind its successors of differences of administrations then and now.

6. In the Punjab Proper no settlement has yet been made for more than ten years. The settlements in the Cis-and Trans-Sutlej States had already been concluded for thirty years, when Lord Dalhousie, during the course of his tour on account of the rapid development of agriculture he then descried, limited future settlements to ten years.

7. Excepting the more advanced proprietors, who have to a certain extent imbibed English notions, the zemíndárs generally would be slow to question the right of Government to lay down the term of settlement or shorten one prescribed by incompetent authority.

8. Owing to the long delay in reporting these inadequate settlements the hopes of the zemíndárs were probably buoyed up, and their disappointment must have been great in proportion. But, on the other hand, whereas the assessments might have been disallowed at once, they were permitted to run on intact for ten years, which in the continuance of high prices was a tangible advantage to them.

9. I have at various times heard that in different places expression has been given to the feeling of dissatisfaction, but in no greater degree than I knew beforehand was inevitable. No general combination in connection with the grievance has occurred, nor has any direct representation been made to me on the subject.

10. The Commander-in-Chief is in error in speaking of the *impending* abridgment of the term of settlement. The engagements have been sanctioned for ten years only, and the decision is well-known. It will probably be found practicable when the time comes to rectify the Government demand without, in all cases, insisting upon fresh detailed measurements aad records of rights, &c. The Financial Commissioner is, I am aware, anxious to spare the people all unnecessary vexation, and he will, I anticipate, be met by them in a fair spirit.

11. It must be remembered that the interests of jágírdárs have all the more carefully to be guarded in that they are entitled only to the Government share as fixed in money. It is only on the termination of a settlement that they are able to reclaim their part in the increase of the rent, which up to then is exclusively appropriated by the zemíndár. Now some of these jágírdárs are hereditary leaders among the Sikhs, many of political importance, and all at least entitled to an equitable valuation of the interests assigned them by Government.

12. I had strong personal inducements to sanction these assessments. I was myself the first Settlement Officer of the Bári Doáb, and had every desire to retain the good-will of my old clients, and I had reason to be grateful to the Sikh community generally for coming forward publicly during the past year to

condemn the Kuka movement. But I still think such settlements could not be prolonged for twenty years without leading the people to believe that the Government did not mean its own rules of assessment to be acted on, and without inexcusable injustice towards the jágírdárs. A point was stretched indeed in sanctioning them for ten years.

I give my opinion at once as desired, but will address the Financial Commissioner in the sense indicated by the Government letter.

No. 10½, 421, dated Simla, 26th May 1873.

From—A. O. Hume, Esq., C.B., Secy. to Govt. of India, Dept. of Agriculture, Revenue, and Commerce,
To—The Secretary to Government, Punjab.

Referring to your letter No. 3776, dated 2nd October 1872, I am directed to request that, with the permission of His Honor the Lieutenant-Governor, you will be good enough to ascertain confidentially from the Deputy Commissioners of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát, what the effect of the announcement of the shortening of the term of assessment and the raising of the rates (in the last two districts) has been, and to forward the replies with His Honor's opinion as soon as they have been received.

I am also to request that the Government of India may be informed of the dates at which the present settlement will expire in each district.

No. 844½, 180C., dated 5th June 1873.

Copy to Secretary to Financial Commissioner, with the request that he will obtain and submit, with the opinion of the Financial Commissioner, the information required by the Supreme Government.

No. 70 M., dated 8th September 1873.

From—J. A. E. Miller, Esq., Secretary to Financial Commissioner, Punjab,
To—The Secretary to Government, Punjab.

In reply to your confidential No. 180C. of 5th June, I am directed to forward a memorandum by the Financial Commissioner, together with the replies of officers called for, on the subject of the shortening of the term of settlement in certain districts, and the enhancement of the rates in two of them.

Memorandum by the Hon'ble R. E. Egerton, Financial Commissioner, Punjab, dated 30th August 1873.

On the receipt of the orders contained in Government, Punjab, confidential letter No. 596, dated 22nd May 1873, the opinions of the Deputy Commissioners of the districts of the Amritsar Division and of the districts of Lahore, Gujránwála and Gujrát were called for.

2. The opinion of Mr. Lyall, Officiating Settlement Commissioner, was also asked.

3. The subsequent letter No. 180C., dated 15th June 1873, called for the opinions of the Deputy Commissioners of these six districts; their replies are forwarded in original, and no further reference to them was necessary.

4. Copies of the tenders of engagement for each of the districts named are also forwarded, together with copy of the Financial Commissioner's letter No. 3128, dated 27th July 1865, which is quoted in the tenders of engagement.

5. The opinions of the officers consulted are here abstracted.

Mr. Burney, Officiating Deputy Commissioner, Gurdáspur—Considers that the feeling of the people in regard to shortening the term of settlement is not very strong; what feeling there is, is against the measure; the people do not really believe there has been any breach of faith on the part of the Government. They know well that the Settlement Officer's orders in regard to assessment were not final. As they do not wish the term to be shortened, they do their best to make us believe they consider it a breach of faith, but they do not consider it so themselves.

6. *Mr. Coldstream, Officiating Deputy Commissioner of Amritsar*—Reports the result [of h]is communication with Colonel Hall, the Deputy Commissioner, then on duty elsewhere, [and M]r. Pitcaithly, the officer who attested the amended engagements. There has been

a good deal of grumbling at the term being shortened, and expressions of surprise that Government should be guilty of a breach of faith. A certain feeling of distrust appears to have been created, which Mr. Coldstream considers to be transient, politically of small importance, and not developed into an embittered feeling towards Government. The Deputy Commissioner has received no complaints from the people, and he considers that not much excitement has been caused. The people look forward to the coming settlement, however, with a good deal of apprehension.

7. *Major Jenkins, Deputy Commissioner of Siálkot*—Says that when the shortening of the term was first announced much disappointment was shown. He does not think there is any outwardly-expressed discontent. The people know well that the settlement of Mr. Prinsep was subject to the sanction of Government, and there has been no breaking of any promise. The people will submit to the shortened term quietly and without any murmur. The value of land is said to have fallen, and transfers, temporary and permanent are fewer now than before, which the Deputy Commissioner considers an advantage. There is a good deal of anxiety regarding the probable expense of new Settlement operations, and the Deputy Commissioner thinks if it be declared that no new measurements will be made at re-settlement, the people will be much gratified.

8. *Captain Nisbet,* Officiating Deputy Commissioner of Lahore*—States that nearly the whole of the headmen of villages have attended at Lahore to attest the amended engagements for a shortened term. The Deputy Commissioner has not heard a single good reason from the headmen of 1,400 villages out of 1,502 in the district against shortening the term He has received 50 petitions against it, and considers the smallness of the number a good indication that there is nothing like general dissatisfaction at the measure, which appears he thinks, to be received with indifference for the most part.

9. The Officiating Deputy Commissioner personally feels most poignant regret that the term has been shortened.

10. *Major Millar, Officiating Deputy Commissioner of Gujránwála*—States that the shortening the term of Settlement and the raising of the assessments is looked upon generally by the people of the district as a breach of faith on the part of Government. There has been a decrease in the number of sales and mortgage of land since the measure was announced. The people have been accustomed to see the assessments fixed by the Settlement Officer confirmed, and were much disappointed when the change was announced.

11. *Mr. Perkins, Deputy Commissioner of Gujrát*—Says he does not think the revisions have created any dissatisfaction. He considers the raising of assessment a small matter compared with the burden which the expense attendant on a new Settlement after ten years will be to the people. If no new survey and measurement of the land is made at the end of the shortened term, no harm will have resulted from shortening the term. Thinks it would be wise to say now that the assessment will only be revised. No new measurement will be necessary if the papers are kept up properly.

12. *Mr. Lyall,† Officiating Commissioner of Settlement*—Has not had much opportunity for observation in the districts affected by this enquiry since the alteration in the term of settlement was announced. Has spoken about the term of settlement being shortened to men in the frontier force, whose heads were not at all full of it. They had all heard of it ; though it foreboded an increased demand, and perhaps a new survey. They did not profess to like the prospect, but they did not suggest there had been any breach of faith by Government. None of them attempted to deny that the settlement was a very lenient one. Mr. Lyall was surprised at the easy and unexcited way in which these men talked, but he remarks they are feebly instructed in village matters compared with the men who stay at home. Mr. Lyall considers there must of course be an uneasy and disappointed feeling in the minds of the landholders of the districts affected. He thinks, if the feeling in the districts were of a dangerous or excited type, he would have seen some signs of it amongst the men with whom he talked on the frontier. He thinks, in order to dispel the uneasiness, the assessments should be revised with great leniency, and in the very simplest, quickest and least annoying way possible. No re-measurements would be necessary. If this course is adopted, Mr. Lyall has no fear of the results, though he is a firm believer in lenient assessment.

13. The replies which have been above summarized appear to show that there is no deep feeling of any kind in regard to the alteration which has been made in the term of Settlement in the six districts. There is disappointment no doubt and grumbling, but not serious discontent.

14. The charge of breach of faith cannot be seriously brought forward. The tender of engagement for assessment contains a clause making the tender subject to the confirmation of higher authority, and the order of the Settlement Officer on each tender contains a similar provision.

---

* Captain Nisbet was the Settlement Officer of Gujránwála.

† Mr. Lyall was employed under Mr. Prinsep in revising the Settlement of Gurdáspur District.

15. The letter of the Financial Commissioner, No. 3128, of 27th July 1865—copy of which forms one of the enclosures to this communication, empowered the Settlement Commissioner to announce his assessments for a term of 20 years, but this did not say that the assessments were sanctioned, and so long as the assessments were liable to be cancelled the term was in reality undecided and provisional. The condition which bound the persons who engaged to accept the assessments for a longer time, referred to the question of a permanent settlement which was then under consideration, and the letter was quoted for the purpose of this condition only, and not for the term of the settlement, which was announced merely on the authority of the Settlement Officer, and subject to the condition of approval of superior authority.

16. *Major Millar, the Deputy Commissioner of Gujránwála*—States that the people of Gujránwála had been accustomed to see the Settlement Officer's assessments sanctioned. There had been only one settlement previously—that made by Mr. Morris—and a reference to the reports on that Settlement will show that the assessments of the Settlement Officer were more altered and reduced than in any other district of the six. The argument used by the Deputy Commissioner appears singularly inapplicable to the Gujránwála District.

17. Whatever feeling of uneasiness exists on account of the term of Settlement having been shortened appears to arise more from the fear of the annoyance and expense of a new measurement and the formation of a new record of rights than from fear of a heavy assessment of land revenue being made.

18. I have myself heard great apprehension expressed that a new survey was impending. Mr. Lyall, Mr. Perkins, Major Jenkins and Mr. Coldstream all mention this, and I have no doubt that an increased assessment is not so much dreaded as a new measurement.

19. The figures given in the Progress Report of the Settlement Commissioner for 1867-68 show some portion of the expenditure on settlement which the people paid. That report, which will be found at page xiii. of the appendices to the Revenue Report for 1867-68 gives the results from the commencement of each Settlement to the end of the year 1868 The Settlement fees collected from the people in each Settlement were as follows :—

Amritsar	Rs.	26,525
Gurdáspur	„	26,521
Siálkot	„	17,357
Gujrát	„	22,061
Gujránwála	„	15,400
Lahore	„	31,000
	Rs.	1,38,864

The actual expenditure was probably much more, but it was not authorized, and the amount cannot be known. Settlement fees, except to the extent of 6½ per cent. on the assessment are not now realized, and the people would not have to pay so much for settlement fees at a future settlement as they did at last settlement ; but still the trouble and expense of a new survey and the attestation of a new record of rights will be very heavy ; and, if possible, I desire to see the assessment revised on data available from the patwárí's annual papers, without a new survey or a new record of rights, as Mr. Lyall recommends. This may be possible after a ten years' term, but after a longer term it would not be possible to omit the survey, as the changes during a longer period will be much greater. The existing record has been made with great care, and there is no probability that a new record will be urgently required in ten years. Though I think it will be advisable to avoid a new survey, I would give no pledge on the subject at present. The work of revision will be much easier if the officer who undertakes it is able to make this concession when he begins operations. The ground on which a short term has been fixed for the settlements is that the assessment is inadequate.

20. I have on a previous occasion reviewed the assessments of the Lahore, Gujránwála and Gurját districts on the final reports of the officers who made the settlements under the Settlement Commissioner's orders, and I refer to these reviews for my opinion in regard to the assessments of those districts which are unchanged.

21. I have not received the Settlement Commissioner's report on the revised Settlement of the Amritsar Division, nor has he submitted the chapters of that report relating to assessment which were promised in his letter No. 50, dated 27th July 1871. The review of the assessment of the Amritsar Division was therefore open to revision on receipt of further report,—and I expressly stated this in the last paragraph of my review. Until further information is received I must adhere to the opinion formerly expressed, that the assessments of this division were much too light.

22. The principle on which *the revenue rates were framed and the assessments made* have never been properly explained. It cannot therefore be said that the assessments were made upon principles which the Government at the time approved. In one very important

point the proposals of Mr. Prinsep have been expressly rejected. The new method of assessment of land irrigated from wells, which he introduced, has not been sanctioned. I have shown * that a loss of about Rs. 2,88,000 occurred in the Amritsar Division from this cause alone.

* No. 72 S., dated 17th August 1871.

23. In his letter No. 124, dated 16th September 1870, Mr. Prinsep promised a further report on the effect of his system upon the land revenue demand, but this report was never submitted. On this vital point in assessment the principles which the Settlement Commissioner proposed to adopt were never sanctioned by Government, and, although his assessments might have been sanctioned if they had been reported, yet, as they were not reported, we are bound to review them in the light of our present knowledge. There is no doubt whatever that they are needlesely light; that if they are maintained for a longer period, than has been sanctioned, the sanction will affect the standard of assessment in all the districts which come under revision during the lengthened term, and these are the most important in the Punjab as regards land revenue; for they comprise the districts of the Umballa and Jullundur divisions. The money surrendered will be divided infinitesimally on, and expended uselessly and thanklessly by, large number of peasant cultivators, instead of being usefully employed by the State. I am an advocate for light assessment, and, though I appear in these proceedings as an opponent of Mr. Prinsep's light assessments, it is only because I think them needlessly light. There is, I believe, a considerable margin of increase available, still leaving, the assessment light. I do not wish to raise the assessment on a foregone conclusion. I put forward an opinion based upon such grounds as are available, that the assessments are light—too light in fact to be just to Government; and I think the grounds are sufficient to warrant a short term being prescribed for the settlement. The excitement, such as is was has now subsided; the new engagements have been taken; and a reversal of the orders which have been issued will not be understood and appreciated in a proper manner by the people.

24. The present settlement sanctioned for ten years will expire in each of the districts named as follows:—

Gurdáspur, Amritsar, Siálkot	Sambat 1932, A. D. 1875.
Gajránwála	Sambat 1934, A. D. 1877.
Lahore, Gujrát	Sambat 1935, A. D. 1878.

No. 3128, dated 27th July 1865.

From—The Financial Commissioner, Punjab,

To—The Settlement Commissioner, Amritsar.

You have brought to my notice the inconvenience you have experienced in declaring your new assessments from not knowing the term for which they were to last. I beg, therefore, under the sanction His Honor the Lieutenant-Governor (which has been verbally conveyed to me), to authorize your making a settlement of the districts of the Amritsar Division for twenty years, with discretion on the part of the Government to extend the period of this should it hereafter be deemed advisable.

Translations of Tenders of Engagements for Land Revenue of districts recently settled.

I—Mouzah Missarpur, Chak Batala, Parganah Batala, Zilla Gurdaspur.

We Megah, lambardár, and Anokhá "sarpanch" (chief lambardár), in person for ourselves and on behalf of all the shareholders, do hereby file this tender on the conditions that we shall pay by instalments the Government jama, Rs. 956 per annum, which has been assessed at this Settlement for the period of twenty years, beginning from kharíf Sambat 1922 to rabi Sambat 1942, and thereafter, until a second settlement is made, at the same jama as that of the last year, without any excuse of the calamities of season, of irrigation, or of anything else—subject to confirmation of superior authorities, that should Government extend the term of settlement as provided in Financial Commissioner's letter No. 3128, dated 27th July 1865, to Settlement Commissioner, we shall have no objection, and shall agree to it; that the well "abiána," which has been fixed as shown in the detail of Government jama, shall be paid by every proprietor, according to the khewat entry, on the wells at present in use; that if any málguzar constructs a new irrigation well after the settlement he shall without any excuse pay its ábiána to Government at the rate entered in the "lál kitáb" (village note-book) or at any other rate which may hereafter be fixed by Government, receiving a lease for the well from Government on the same terms; that if any one of the wells now in use falls down and becomes unfit for irrigation, its ábiána shall be remitted by Government according to the allotment made in khewat; that at present there is no mine in this village: if in future any mine of any kind is discovered within the boundaries of this village, Government

shall have a right in it, for the payment of which we shall be held responsible, it being excluded from this settlement.

Government Revenue ...	For baráni land	... ... Rs.	816
	" value of water	... ... "	140
	Total	... Rs.	956

(Instalments.)

For rabbí, 8 annas ...	15th June	4 annas.	
	15th July	4 "	
" Kharíf, 8 " ...	1st December	4 "	
	1st March	4 "	

(Cesses.)

Road fund	@ Rs. 1 per cent.	To be paid into Government Treasury.	
School do.	@ 1 "	Ditto	ditto.
Patwáris fee	@ ¾ "	Ditto	Chanda patwárí.
Sarpanchi fee	@ 1 "	Ditto	Anokha sarpanch.
Lambardár's fee	@ 5 "	Ditto	to the lamardárs entered in khewat.
Zaildár's fee	@ 1 "	To be paid to Thakur Singh and Kutbdín, zaildárs.	
Malbah	@ 4 "	To be disbursed by the lambardárs.	

PROPRIETORS' AGREEMENT.

I.—Regarding Assessment.

1. Rupees 956 is the jama of this village as assessed by Government, excluding 10 ghumahs, 8 marlahs of inám land reserved for Anokha, sarpanch. The enjoyment of the inám by him during his lifetime and its continuance to his heirs on his death, shall be under the pleasure of Government.

2. The extra cesses which are paid in our village as detailed on the back of this tender and distributed in the muntakib naksha shall be paid to persons having right hereto, and the malbah shall be expended by us lambardárs for legitimate purposes, and we shall have the disursements entered in the patwárí's papers. We shall be responsible for any increase or decrease in the amount of the malbah expenditure, and no more than the fixed sum shall be levied from the shareholders.

3. In our village we are the two lambardárs as per khewat entry. On death the eldest son or one who is fit shall succeed.

4. Anokha has been appointed as "sarpanch" in our village. His dues have been entered in the khewat. He shall, in addition thereto, receive Re. 1 per each betrothal and marriage, provided, he keeps up a register of them showing names of the parties transacting the same. On his death his heirs shall succeed if Government allows it; they shall have no hereditary claim to the office.

5. In our village no alluvion or diluvion takes place, nor any river or stream passes through its boundaries.

6. Although the appointment of chaukidár has no connection with the settlement, yet it is mentioned here that at present one Salabia, son of Kamma is a chaukídár, receiving Rs. 36 per annum, which we shall realize for him by annual "bachh" on the houses.

II.—Regarding matters governed by Law.

We shall be bound to observe the Government rules regarding realization of Government balances, occupation of land for public purposes, cutting water-courses from one village to another, transfer of tenure to strangers or persons having right of pre-emption, restoring possession to absent and absconded proprietors, appointment of chaukidárs, lambardárs, sarpanches and chaudrís, reporting the death and absconding of mafidárs, patwárís, lambardárs, &c., and other orders of Government also which are at present in force or may hereafter come into force.

(Sd.) BHAG MALL, *Sadr Munserim,*

THE proprietors have in my presence attested all the points and stipulations noted above.

Dated 2nd *September* 1865.

Signed (Here follows a detail of the names of 27 proprietors signing or sealing the document)

ORDER.

ON the jama being announced, the lambardár and sarpanch filed this tender and attested it.

Ordered that the tender be accepted and filed, subject of confirmation of the Supreme Authorities.

Dated 1*st August* 1865. (Sd.)

(Revised Tender.)

As the twenty years' term of settlement of our village has been cancelled and that of ten years substituted under Financial Cmmissioner's letter No. 5145, dated 15th July 1872, we do hereby agree to pay the jama assessed at present settlement for the term of ten years from kharif Sambat 1922, to rabi Sambat 1932, and thereafter, until a new Settlement is effected, without any excuse of the calamities of seasons.

Dated 26*th May* 1873. (Signed by both lambardárs.)

Attested in my presnce and the tender submitted for sanction of higher authority.

Dated 30*th May* 1872. (Sd)

4*th June* 1872.

Sanctioned and ordered to be filed.

II.—Mouzah Makho Kahn, Tappa Wairowalah, Charkla Charkhari, 1st Pargannah Sammarial, Tahsil Daska, Zillah Sialkot.

Dated 29*th October* 1865.

This tender is, *mutatis mutandis*, the same as No. I., except the following :—1st clause of *proprietors' agrement*—We shall act up to (the instruction contained in) a memo. which has been drawn up for the information of us, the proprietors of villages generally, regarding land revenue, malbah charges, mutation of lambardárs, and other points connected with general law. We shall also be bound to observe the Government regulations which may hereafter be issued. The malbah charges shall be incurred as at present from the shop of Billu Shah, the village shop-keeper. If we ever wish to change the shop we shall always report the same the patwárí, to be entered in his papers.

III.—Mouzah Mahal, Chak Amritsar, Pargannah Amritsar, Zillah Amritsar.

(*Without date.*)

This is also same as No. I., except the following point in proprietors' agreement :—

If any shareholder's land taken up by Government, the other shareholders of his patti shall make up his loss according to their respective shares, and divide the compensation among themselves acordingly.

On the death of a lambardár, a successor shall be appointed according to Government Law.

IV.—Mangah Killá Kachi, Tappa Bhudkot, Chakla Hathar, Pargannah Chunian, Zillah Lahore.

Dated 1*st October* 1873.

This is also same as No. I., with the exception of the following points.

Originally the road cess was fixed at 1 per cent., but was subsequently increased to 2 per cent. under order of Punjab Government contained in (its Secretary's) No. 840, dated 12th November 1868.

The dâk cess is fixed at Rs. 0-8-0 per cent.

(*Proprietors' Agreement.*)

(1.)—If any shareholder's well land is occupied for public purposes his share shall be made up from the common well lands, failing which, from the proprietors' holdings, and the compensation as well as the reduction in jama shall be divided (among the sharers) according to their shares in the well.

(2.)—The items in addition to Government demand as entered at the end of the tender and in khewat shall be paid into Government treasury with the land revenue. As " dhart" is levied in this village, the malbah charges including the patwárí's stationery allowance of four annas per cent., shall be incurred from the shop of one Nand Khatri and entered in the Dharwái's papers. The lambardárs shall be at liberty, as provided in Book Circular IV. of 1860, to incur malbah charges within the maximum, but not above it without the consent of the shareholders. At the commencement of every year the account of the malbah charges shall be adjusted and debited to the above income; any increase or decrease shall be allotted to the shareholders according to their respective shares; the malbah has not consequently been entered in the khewat.

V.—Mouzah Gadhi Bola, Tappa Khud, Chakla Khadar, Pargannah and Zillah Lahore.

Dated 15th———1868.

Same as No. I., with the following exceptions :—

Enhancement of the road fund from one to two per cent. sanctioned under the same letter as in No. IV. and the dâk cess fixed at Re. 0-8-0 per cent.

(*Proprietors' Agreements.*)

1. If any shareholder's land is occupied for public purposes the loss shall not be made good by other shareholders, and the compensation granted by Government shall be paid to him exclusively.

VI.—Mouzah Mieu-ud-dinpur, Tahsil Gujrat, Zillah Gujrat, Chak Jatahar

Dated 10th March 1865.

Same as No. I., except the following :—

Among the extra cesses the following two items are also included :—

Stationery allowance Re. 0-8-0 per cent. to be paid to the patwári.

Physician fee, Re. 1 per cent. to be paid into Government treasury.

VII.—Mouzah Nizamabad, Tahsil Wazirabad, Zillah Gujranwala, Chak Charkhari.

Dated 20th February 1867.

Same as No. I, except the following :—

The extra cesses imposed on us are entered on the other side ; among these there is Re. 1 per cent. entered as a cess for public utility.

Dated Amritsar, 19th June 1873.

From—W. Coldstream, Esq., Offg. Deputy Commissioner, Amritsar,
To—The Secretary to Financial Commissioner, Punjab.

I have the honor to reply to your confidential letter of 6th current, requesting my opinion as to what the effect of the announcement of the shortening of the term of assessment has been in this district.

Not having had personally the advantage of a cold-weather tour in the district, I am unable from my own observations to give an opinion on the subject further than that I have not, I believe, heard any complaints from zaildárs, lambardárs or others with whom I have come in contact.

But in order to give a satisfactory reply to your reference I have consulted Colonel Hall, the present Officiating Commissioner of Mooltan, under whose immediate orders the announcement was made, and the new darkhást taken, and Mr. Pitcaithly, Extra Assistant Commissioner, who actually announced the new term and got the lambardár to enter into engagements for ten years.

Colonel Hall states that his impression formed out in the district was that the people grumbled at first, but philosophically considered that what can't be cured must be endured, and balanced advantages and disadvantages in their own minds ; that some of the people thought it would be a good thing to have the opportunity which a new Settlement would give them of getting the different demands now made massed, while the great disadvantage and fear was the expense which a re-settlement throws upon the people.

Mr. Pitcaithly states that there was a great deal of grumbling, but in only one instance did the lambardárs refuse to engage—and even this case was settled without coming before Mr. Pitcaithly, the zaildár and others having talked the lambardárs out of these objections.

Mr. Pitcaithly mentions existence of a feeling of astonishment that Government should be guilty of "breach of contract," as they called it. From Mr. Pitcaithly's remarks a certain feeling of distrust also appears to have been created. But this would seem to be transient, and politically of small importance, and not to have been developed into embittered feelings towards Government.

In January and February, or immediately after the announcement had been made Mr. Pitcaithly was again sent round the district to superintend the patwáris' measurements. "This," says Mr. Pitcaithly, "following so closely on the new engagements, was taken to be the *settlement*. But I was nowhere opposed,—indeed the people were anxious to assist me, and complaints of mistakes in the last Settlement were freely brought forward." As regards

the way in which they look forward to the coming Settlement the same officer thinks that they regard it with a good deal of apprehension, but the feeling is counterbalanced by the hope of getting better out of it. Even in the cases where the order has caused loss the people are buoyed up with the hope that matters will yet come right at the new Settlement.

These observations by the officers who were immediately concerned in carrying out the orders of Government for shortening the term of assessment, combined with my own experience of three or four months, during which no complaints have reached me directly from the people, is sufficient, I think, to show that the measure has not caused *much* excitement in the minds of the people. When the rains commence I hope to visit the interior of the district and, if necessary, shall take a further opportunity af addressing you on this subject.

Dated Dalhousie, 15th July 1873.

From—R. T. BURNEY, Esq., Deputy Commissioner, Dalhousie,
To—The Secretary to Financial Commissioner, Punjab.

As far as I can judge of the feelings of the people with regard to the shortening of the term of Settlement, I cannot think that it is very strong.

Whatever feeling there is is naturally against the shortening of the term, as the people fear that new cesses may be added to those already existing.

I do not think that the people really believe that a breach of faith has been committed by Government in upsetting the decision of the Settlement Officer. They were thoroughly well aware that the Settlement Officer's decisions were not final, and of course appealed against them whenever they were dissatisfied. The Pattahs shew as clearly as possible that Government was not bound by the Settlement Officer, and the people know it well. As they do not like the term to be shortened, they do their best to make us believe that they consider it a breach of faith. But I don't think that they consider it so themselves.

I am sorry that I have been so long in replying.

Dated Siálkot, 15th July 1873.

From—Major C. V. JENKINS, Deputy Commissioner, Siálkot,
To—The Secretary to Financial Commissioner, Punjab.

IN reply to your letter of the 6th ultimo, and also to your reminder of the 9th current, I am unable to forward the desired information with reference to the subject as to what has been the effect of the announcement of the shortening of the term of assessment in this district, and as regards the feelings and opinions of the people.

In the first place I do not think I can do better than send you the correspondence I had on this subject with His Honor the Lieutenant-Governor direct, in October and November last, which, perhaps, you will kindly place before the Financial Commissioner and will as kindly return to me after his perusal.

Vide Lieutenant-Governor's letter, 30th October 1872.
My reply, 9th November.
His Honor's letter, 12th November.

Since the closure of this correspondence I have made a most complete tour of my district, and have been fully awake to the importance of feeling the pulse of the people generally on this subject, and would now beg to record the result of my surveillance.

I. There is no doubt when the matter was first announced, that much disappointment was manifested, but there have certainly not been the slightest symptoms of outwardly-expressed discontent, nor do I opine that any such is *simmering*. My plan has been to (on all occasions, when the matter has been the topic of conversation) let the people thoroughly understand that, whatever they have been led to hope for by Mr. Prinsep's Settlement, they knew well at the time that such was subject *only* to the sanction and approval of Government, and therefore there has been no breaking whatever on the part of Government of any pledge or promise.

I further stated that all such other Settlements which have ever been fixed in India have been subject to like confirmation and approval, and in many instances the full period (as recommended by the Settlement Officer) has not been sanctioned.

I have gone steadily on this principle with the leading zaildárs and lambardárs, and have conversed freely to the same effect with the minor agriculturist classes in this district, and I feel in my own mind *confident* (that as far as this district goes) the people will submit to it quietly and without any murmur. The period has still ten years to run, and by always talking to them firmly and kindly my own impression is that they will bow their necks to it (when the time comes round) as easily and quietly as the bullock does his to the yoke.

II. The Financial Commissioner will himself know that I am fortunate in this district with my native officials, one of whom is an experienced Extra Assistant Commissioner, well versed in all Settlement and revenue matters, and the other two are Tahsíldárs who have ably done their work as Superintendents at the Sadr for some years back, whose knowledge of revenue matters is very perfect. I allude to Syad Wazir Ali, Extra Assistant Commissioner and Tahsíldárs Jaggarnáth and Ibrahím Ali.

I am working through these men a good deal, and find they have immense weight and power with the people, and are universally respected by them, and when arrangements are under contemplation for the carrying out of the scheme, I would earnestly venture to recommend to the Financial Commissioners that these men be employed in the *re-settlement of this district.*

III. I hope my ideas and recommendations may not be considered as intrusive or out of place, but I would also venture to suggest that it should be explained to the people that it will not necessarily be an increasement of the demand in all cases, but that it will be a careful revision of existing rate, and of enhancement only where it is clearly manifest that the rate can be justly and fairly enhanced without actual hardship to the parties concerned. I think it would be a good move to let this be known *generally,* and especially so to the agriculturists of the minor classes, who cultivate somewhat spare baráni lands, and occasionally a slight decrease in the rate (wherein it is manifestly a *little light*) might be given them. Of course the measure *must be* worked carefully and with caution; but I will confidently guarantee that if the officers named herein be employed in the work there shall be no failure in any way in working out the project in this district. Of course any overt or outward disturbance in a neighbouring district might and probably would mar my arrangements here, *but certainly not otherwise.*

IV. The effect the notification has had as yet has been a natural falling off in the value of land, in so far that the Banniah classes have fought shy of entering into mortgage or sale transactions; this is manifest from the falling off of such transactions in the registration returns of the district.

V. In conclusion, I would venture to state further that " I consider the contingent expenses which have necessarily to be incurred at the time of a new settlement fall, as a rule, very heavy on the agricultural classes, and this expense has been frequently alluded to by all, both high as well as low. It may therefore be a question for the Government to consider whether it will be necessary to *"make an entire new measurement* of the whole *district land area."* If such a course be deemed unnecessary, the effect would be highly palatable to the people, as it would of course considerably reduce their expenditure—to almost one-half of what it otherwise will be.

Apologizing for venturing on remarks which perhaps may have been already fully weighed and considered by the Hon'ble Mr. Egerton.

P.S.—May I request the favor of your returning the correspondence sent herewith, as I have no other copies of it.

In reference to my remark about the Banniahs, I am inclined to view their withholding from such land transactions as beneficial to the people, and therefore to the Government in the end.

Dated Lahore, the 11th June 1873.

From—Captain R. P. Nisbet, Officiating Deputy Commissioner, Lahore,

To—The Secretary to Financial Commissioner, Punjab.

In reply to yours of the 6th instant, I beg to say that, having joined the Lahore District only at the commencement of the hot weather, I have not had opportunity, by personal intercourse with the agricultural community in their own villages of positively ascertaining the general feeling with regard to the shortening of the term of settlement, but during the last three months nearly the whole of the headmen of villages in the district have attended at Lahore for the purpose of attesting afresh the " engagement for the payment of revenue" necessitated by the alteration of the term previously entered from twenty to ten years.

It is undoubtedly an unfortunate circumstance that this announcement should follow a series of inferior seasons since the revision of settlement took place, and I personally feel poignant regret that the assessments originally announced should not have been confirmed by Government, and it it impossible to believe that the additional demand from the pockets of agriculturists the change involves should be satisfactory to them.

At the same time I am bound to say that of 1,502 villages in this district the headmen of 1,400 have attended as before stated, and after diligent enquiry from many I have not heard from them a single good reason against shortening the term of settlement, and only fifty petitions by way of objection have been received, which is a very fair indication that there is nothing like general dissatisfaction at the change which appears for the most part to be accepted with indifference.

Dated Gujránwála, 11th June 1873.

From—Major F. J. MILLAR, Officiating Deputy Commissioner, Gujránwála,
To—The Secretary to Financial Commissioner, Punjab.

IN reply to your confidential letter of the 6th instant, I have the honor to state that, as far I can judge, the people of this district generally look upon the shortening of the term and the raising of the rate of assessment, as a breach of faith on the part of the Government.

They have been accustomed to see the rate of assessment fixed by the Settlement Officer confirmed by the Government, and were therefore much disappointed when the change was announced.

It appears to me also that there has been a decrease in the number of sales and mortgages of land since the announcement, evidently because the landholders and money-lenders are uncertain as to the term of the next settlement.

This decrease is fully shown in the registration returns.

Dated Gujrát, 9th June 1873.

From—H. E. PERKINS, Esq., Deputy Commissioner, Gujrát,
To—The Secretary to Financial Commissioner, Punjab.

IN answer to your confidential letter of the 6th current, enquiring as to the results on popular feeling of the late revisions of assessment in this district, I have the honor to say that I do not think those revisions have created any dissatisfaction.

The increases were by the Settlement authorities proposed to be taken at successive quinquennial periods, of which the first had arrived, and the second has only been anticipated by five years. The point as to whether the third should now be also anticipated is under reference to your office, and I am to-day replying to your letter on the subject. The first set of increases which was already due under the Settlement Commissioner's orders amounted to Rs. 1,689 and affected 33 villages; the second, which had been anticipated by five years, amounted to Rs. 18,134, and affected 338 villages; the third, which is still *sub judice,* was to amount to Rs. 18,114, affecting 267 villages. The mere raising of the assessment is a light matter compared with the confirmation of the Settlement for only ten years instead of thirty; for the country will suffer a much greater load of taxation if the *posse* of Settlement officials be launched on it again at the end of the short term of ten years than it would suffer by any amount of increased assessment which our Government would be ever likely to take.

3. If, however, the intention of Government be only to revise the assessments at the end of ten years, and not to proceed to the expensive, irritating and comparatively profitless work of making fresh surveys and fresh records-of-rights, then no harm has, in my judgment, resulted from the confirmation of the settlement for only ten years, instead of thirty. There is no question that the people view with alarm the prospect of a fresh incursion of surveyors and writers after five more years, but a mere revision of assessment, which could be easily done in a year or less by one Settlement Officer and half a dozen clerks who would not be billetted on the populace, would cost the country next to nothing in bribes and supplies, would not stimulate litigation afresh, nor break up families by new quarrels.

4. This being a confidential communication, I trust I may be pardoned for saying that no settlement, however, carefully conducted, can fail to be a very grievous burden on the people, and my experience both in Oudh and in more than one district in the Punjab has led me to sympathize sincerely with the people of any district which is suffering from the currency of settlement work. I think, therefore, that it would be wise for Government to give a pledge now that only the matter of assessment is to be touched in this district at the end of five years more, and that records of rights and re-surveys will not be made.

5. Apart from the consideration of cost to the people, and aggravation of family and commercial feuds, which I have touched on above, there is the less need here of any re-survey or renewal of records, as all the work of the late settlement has been lately subjected to a revision by the district staff, which has only been too searching; and when once the patwárís are properly overseen by Tahsíldárs and District Officers, as I trust they may be under the expected system of separation of executive and judicial functions, the village papers being kept up to their theoretical standard of accuracy, which is a high one, we shall have all the results we can desire.

Memo. by J. B. LYALL, Esq., Offg. Settlement Commissioner, dated 12th June 1873.

A COPY of Secretary to Government of India, Department of Agriculture, Revenue and Commerce, No. 303, dated 20th April last, has been sent to me by the Secretary to Financial Commissioner, with the request that, with reference to the second paragraph, I

will give an opinion as to the nature and causes of the uneasy feeling said to prevail in certain districts owing to the restriction of the term of settlement from twenty to ten years.

2. I must begin my reply by saying that my opportunities for observation have been very slight. I have not been in the districts concerned since the order for the reduction of term was passed, or indeed for seven or eight years previously, except when passing through as a traveller.

After the order was published, I occasionally talked about it to land-holders of the districts concerned whom I happened to meet on the frontier. Nearly all of these men were soldiers in the frontier force.

3. I introduced the subject myself, and did not find their heads at all full of it. They had, however, all heard of the order, and of course thought that it foreboded an increased demand, and perhaps a new survey or settlement. They did not of course profess to like the prospect, but they also did not suggest that any breach of faith was involved in the reduction of the term. This argument did not seem to have occurred to those I spoke with, though it has probably been advanced (I do not say with reason) by many of the sharper headmen of villages who think they understand our system. No one I spoke to attempted to deny that the assessment was a lenient one; the popular story seemed to be that when the assessment papers came before the Lieutenant-Governor he was very angry with the Settlement Commissioner for being so lenient, and ordered his immediate dismissal from the service which had accordingly followed. I was rather surprised at the very easy and unexcited way in which these men talked, but it must be remembered that these land-holding soldiers are generally but feebly interested in village matters compared with their brethren who stay at home.

4. There must of course be an uneasy and disappointed feeling in the minds of the land-holders of these districts. They had reason after the announcement to expect to enjoy a twenty-years term of a light assessment, and now they dread a large immediate enhancement, together with all the expense and annoyance of a new settlement. But if the feeling in the district was of a dangerous or excited type, I think I should have seen some signs of it in the men I talked with on the frontier.

5. There has, I think, all along been an apprehension in the minds of the Punjab land-holders that as we got firmer in the saddle we should squeeze them tighter, the reduction of term and the imposition of the local cess were I think taken as portents of such a change of policy. At this crisis of English rule in the Punjab, the Government cannot afford to throw away any means it has of maintaining its original popularity, the chief causes of which are passing away. I think, therefore, that in order to dispel the uneasiness, the assessment should be revised with great leniency, and in the very simplest, quickest and least annoying way possible. No remeasurements would be necessary.

6. If this course is adopted, I shall not be afraid of the results, though I am a firm believer in light assessments of the land revenue as the greatest bulwark of our rule. The quiet way in which the Sikhs took the loss of their proud supremacy in the Punjab, and the loyal assistance they gave us in the mutinies were, I suppose, mainly due to the fact that they were, with few unimportant exceptions, all land-holders, and that our light assessment changed their feeling towards us, and opened out a new channel for their energy.

No. 1386 A.-305 C., dated 16th September 1873.

From—T. H. THORNTON, Esq., Secretary to Government, Punjab,

To—The Secretary to Government of India, Dept. of Agriculture, Revenue and Commerce.

YOUR letter No. 926, dated 2nd September 1872, conveyed the orders of the Government of India upon the action taken by His Honor the Lieutenant-Governor in regard to the land revenue in the districts of Amritsar, Siálkot, Lahore, Gurdáspur, Gujrát and Gujránwála. In that despatch you stated that "the Governor-General in Council sees no reason whatever to doubt the correctness of the general conclusion arrived at that in every district the assessment is decidedly too light, and involves a sacrifice of the just rights of the State. At the same time, the Governor-General in Council is convinced that the course adopted by the Lieutenant-Governor of confirming this assessment for a period of ten years is, under the circumstances, and for the reasons stated in paras. 6 and 7 of His Honor's Resolution, the wisest that could be followed, and the orders directed in that document are entirely approved by the Government of India." These orders were further approved of by the Secretary of State in his letter No. 48, dated the 21st November 1872, in the following terms :—"I am of opinion that although the assessment of these districts is inadequate, your Excellency in Council has acted rightly in confirming for ten years the settlements made." In your letter No. 303, dated 10th April 1873,

you enquired how far His Honor the Lieutenant-Governor shares in the opinion of His Excellency the Commander-in-Chief that "the reduction of the term of settlement is viewed with uneasiness by the population, and what were the opinions entertained in regard to it by the older and more experienced officials." Subsequently, in your letter No. 421, dated 26th May, you requested that it should be "ascertained confidentially from the Deputy Commissioners of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát what the effect of the announcement of the shortening of the term of assessment and the raising of the rates in the last two districts has been, and to forward the replies with His Honor's opinion so soon as they have been received."

2. In reply to the above despatches, His Honor the Lieutenant-Governor has already furnished a confidential minute stating his views upon the subject. I have now the honor to submit copy of letters from the Deputy Commissioners of the several districts named, reporting on the effect of the orders referred to; also copy of letter from the Officiating Settlement Commissioner, Mr. J. B. Lyall, and a memorandum by the Hon'ble R. E. Egerton, Financial Commissioner.

3. These papers, it will be perceived, entirely confirm what has been already in effect stated by the Lieutenant-Governor in his minute, *viz.*, that, though there may be some disappointment and grumbling amongst the peasantry at the abbreviation of the term of settlement, there is no deep feeling of any kind upon the subject; and this, I am to observe, is precisely what might have been predicted by any unbiassed person acquainted with the history and circumstances of the Punjab and the surrounding Native States; and who founds his opinions not on the representations of the individual grumblers, but on an experience derived, as in His Honor's case, from constant intercourse with all classes of the people for many years. The peasantry have not forgotten the crushing revenue assessments of Sikh rule, and they see before them a marked contrast between the rates and manner of revenue assessments in British territory and those obtaining in the neighbouring Native States of Kashmír Patiála, Jínd, Nabha and Kapurthála, and they have had upwards of twenty years' experience of our moderation. Owing to that moderation, and to the improvement of communication, the security of life and property, the extension of irrigation, and the general rise in the price of produce, they have experienced an enormous increase of prosperity. They have not forgotten that, owing to the former prevalence of prices exceptionally low, the assessment of this tract were largely reduced. They know that the assessments which form the subject of this correspondence are, as a rule, light in the extreme, and that any enhancement which may be made at a future settlement will only be in proportion to the increase of their profits. This being the case, the existence of any feeling of serious discontent, such as is hinted at in the minute of His Excellency the Commander-in-Chief, can hardly be considered possible. Indeed, these papers show that whatever feeling of uneasiness exists in their minds is not in anticipation of an enhancement of the present demand, which is admitted to be light, but of the annoyance and expense attending a new survey and revision of the record-of-rights.

4. Under these circumstances, it is submitted, there is no political necessity based on the state of public feeling for a reconsideration of the orders passed; for, even assuming that the feeling of apprehension against the re-survey and revision of record were deeper than it is, it is to be remembered that these operations are no essential part of a re-settlement of land revenue, and may be, if necessary, dispensed with. Indeed, the very accuracy and fulness of the record prepared under Mr. Prinsep's orders, while, on account of the time and trouble involved, a principle cause of the dread of revised settlement, are likewise a sufficient guarantee that no new record will be needed.

5. But though there may be no political necessity based on the state of public feeling for a re-consideration of the orders passed, it has been suggested in the correspondence which has taken place upon this subject that there are other grounds which make it incumbent upon the Government to accept Mr. Prinsep's assessments, however unduly light they may have been, for a term of

twenty years. In two districts—Amritsar and Gujránwála—it is reported that the people regard the shortening of the term of settlement as a breach of faith; and it has been elsewhere urged that Mr. Prinsep's assessment, having been based upon principles approved of by the Government of the day, ought not to have been interfered with. His Honor deems it important that these grounds for revision of past proceedings should be fully considered.

6. If the first of these two grounds is valid,—If the people have really a reasonable cause for the belief that the Government of the Punjab was pledged to an acceptance of Mr. Prinsep's assessments for a term of twenty years,—then, I am to state, the Lieutenant-Governor would be the first to recommend a revision of the orders passed, however inadequate the assessments may have been, and however disastrous they may prove in a financial point of view. On the other hand, if it should appear that the people have no reasonable ground for assuming the existence of such a pledge, then it is, in His Honor's opinion, of the greatest importance that the right of Government to a fair assessment should be asserted, and that the peasantry be not encouraged to suppose that the rate of assessment will be measured, not by the fairness of its amount, but by the degree of clamour which may be, justly or unjustly, raised concerning it.

7. After careful review of all the circumstances of the case, His Honor can find no reasonable ground whatever to justify the charge of breach of faith. It doubtless appears from a document—*i. e.*, the Financial Commissioner's letter No. 3128, dated 28th June 1865—(copy of which His Honor has now seen for the first time)—that Mr. Prinsep was authorized to make a settlement of the districts of the Amritsar Division for a term of twenty years. This, however, was simply an instruction to the Settlement Commissioner, and by no means deprived the Government of its right to sanction or disallow or modify assessments when reported; and accordingly *in every tender of engagement made by the heads of villages it was expressly stated that the arrangement was subject to the confirmation of higher authority.* If, therefore, the arrangements were made subject to the confirmation of the Government, it was perfectly competent to the Government to decline to confirm the engagements should the rate of assessment be inadequate. Such a power is reserved to local Governments by law, its existence is fully understood, and it was exercised in 1870 by the present Lieutenant-Governor of the North-Western Provinces in the case of the six parganahs in the Muzaffarnaggar District, though the settlement had been made in 1864—(*vide* Mr. Colvin's Memorandum on the Revenue Assessments of the North-Western Provinces, page 103). The argument advanced by Major Millar, Deputy Commissioner of Gujránwála, that the people, being accustomed to see the assessments of the Settlement Officers confirmed, are justified in regarding their non-confirmation as a grievance, is shown by the Financial Commissioner to be preposterous, based on a singular ignorance of facts. If it was competent to the Government to withhold sanction to the engagements, it was also in its power to ratify the engagement *on the condition of the term of settlement being reduced from twenty to ten years*, as was done by Sir William Muir in the case of the parganahs of Bidowhlí and Girdhunpur, in the Sahâranpur District—(*vide* page 107 of Mr. Colvin's Memorandum). His Honor chose the latter course as the more considerate one, for the reasons stated at length in the Lieutenant-Governor's Resolution, dated the 24th June 1872, which were entirely approved by the Government of India. Accordingly revised tenders of engagement for ten instead of twenty years *have in every case been offered by the people and accepted by the Settlement Officers on behalf of Government*, and in no single instance has any petition been forwarded to the Government, nor, His Honor believes, to the Financial Commissioner or other authority, complaining of the revised arrangement as a "breach of faith."

8. With regard to the other ground adverted to above, *viz.*, that the assessments of Mr. Prinsep having been made by Mr. Prinsep upon principles approved by the Government of the day, they ought not to have been interfered with. I am desired to state that His Honor is not aware of the particular principles of assessment referred to. The fundamental principle of assessment authoritatively prescibed at the time of Mr. Prinsep's settlement was that the Government was entitled to 50 per cent. of the net assets of an estate; and it was precisely

because this principle was violated that the Lieutenant-Governor was constrained to withhold his sanction. But His Excellency in Council will perceive from the documents submitted with this office letter No. 87S., dated 24th June 1872, that the principles of assessment adopted by Mr. Prinsep were elaborately reviewed by the Financial Commissioner, the Hon'ble Mr. Egerton; and that it was shown that, so far as could be judged from the information afforded, *the assessment of the six districts were inadequate, even upon Mr. Prinsep's own principles;* while Mr. Prinsep's "own principles" can be shown in regard to two important matters, to be nothing more then arithmetical misculations; *e.g.* (1) Mr. Prinsep adduces in favor of his low assessments the fact that cash rents (málikhána) have increased by 14 to 18 per cent. only. Mr. Egerton shows from Mr. Prinsep's own figures that they have increased by 75 to 100 per cent.; (2) again, Mr. Prinsep argues that although the value of produce has increased by 65 per cent. on the average, yet, as the cost of production has increased by 50 per cent., *e.g.*, profits have only increased by about 20 per cent. The fallacy is too obvious to require refutation; but its effect on Mr. Prinsep's assessment calculations is serious; for assuming, as we may fairly assume, that the cost of production was, before the rise of prices, on an average two-thirds of the value of the produce,—in other words, that it cost Rs. 400 to produce Rs. 600 worth of produce,—an average increase of 70 per cent. in the value of produce, even though accompanied by an increase of 50 per cent. in the cost of production, will leave an increase in profits, not of about 20 but of 95 per cent.! One new principle of assessment, *viz.*, the mode of assessing canal-irrigated lands, is indeed expressly mentioned by Mr. Prinsep as *having received the sanction of Government;* but this principle has *not* been interfered with. One other new principle of great importance, *viz.*, the mode of assessing well lands as may be inferred from Mr. Prinsep's own language, had certainly *not* received the sanction of the Government; on the contrary this mode of well assessment was from the first disapproved by the Financial Commissioner, Colonel Lake. No orders were passed upon the subject by the late Lieutenant-Governor, Sir Donald McLeod; but the subject was taken up by his successor, the late Sir Henry Durand, and inquiries instituted as to the fiscal result of the system, and it was shown by the present Financial Commissioner that it involved, in the Amritsar District alone, a loss of upwards of Rs. 2,88,000,* and was finally, after full consideration, disapproved by the Lieutenant-Governor. Under the circumstances above explained, His Honor can find no ground for the assertion that Mr. Prinsep's unduly light assessments were the result of the application of principles "which had been approved by the Government."

**Vide* Proceedings of Punjab Government, in the Department of Agriculture, Revenue and Commerce for June 1872, No. 8.

9. Having discussed the arguments in favor of maintaining the assessments of the districts in question at their present rate for a term of twenty years, I proceed, by direction of the Lieutenant-Governor, to submit the considerations which may be urged against such a policy. First, while, on the one hand, a heavy assessment is undoubtedly most strongly to be deprecated, on the other hand a needlessly light assessment is also, in his Honor's opinion, open to grave objection. And here I am to remark that much misunderstanding and confusion of thought appear to result from the indefinite use of the term "light assessment." The standard rate of assessment at present authoritatively prescribed is 50 per cent. of the net assets of an estate, leaving the remaining 50 per cent. as profit to the proprietor. This rate of assessment, as compared with the assessments under Sikh rule and in Native States of the present day, is liberality itself. It is, further, a system far more liberal than that which obtained before the year 1860, both in the North-Western Provinces and in the Punjab. Before the years above named the standard of assessment was not 50 per cent. but 66 per cent. of the net assets; yet it was under assessments made on this principle that the Punjab has attained its present great prosperity, that its cultivation has increased enormously, and the value of its land has trebled. Now that the rate of assessment is still further reduced from 66 to 50 per cent. of the net assets, *all* assessments, fairly and judiciously approximated to this standard, must, save in very exceptional cases, be regarded as "light assessments," and such assessments have no warmer advocate than the Lieutenant-Governor himself.

10. But on the other hand, having regard for the growing expense of a progressive Government, His Honor is no advocate of a needless sacrifice of the

land revenue by reducing assessments far below the standard authoritatively prescribed; and it was solely in the belief, which he still holds, that the assessments of these districts are far below that standard, that he felt unable to confirm them for more than a period of ten years.

11. But not only is a needlessly light assessment financially disadvantageous to the State,—it is, in the Lieutenant-Governor's opinion, a positive injury to the peasantry. As observed by Mr. Egerton, "the money surrendered by the State will be divided infinitesimally, and expended uselessly and thanklessly by a large number of peasant cultivators," whose energies, it may be added, will be diminished, while their expenditure on marriage feasts and hoards of jewelry will be increased, with no real benefit either to themselves or to the Government. Such a result would speedily bring about a deterioration in the character of one of the most industrious and independent agricultural populations in the world, and instead of the traditional acquiescence in the immemorial claim of the State to a share of the produce or rent—the main conservative force of society—we may ourselves unconsciously substitute the doctrine, even now not unheard of in other parts of the country, that the amount of the assessment should be governed by the habits of expense to which the parties assessed have become accustomed.

12. On the other hand, while the peasant cultivator will not, in His Honor's opinion, be really benefitted by an unduly light assessment, there is another class, *viz.*, the assignees of Government revenue, amongst whom are to be found almost all the influential members of the Sikh aristocracy and representtatives of religious institutions, who will suffer terribly by the non-enforcement by the State of its just demands. In the Amritsar Division alone upwards of six lakhs of revenue are thus assigned, divided amongst holders numbering upwards of 35,000. It is true that some few of these holders are proprietors of the land of which the revenue is assigned, but many, and amongst them all the most influential, are assignees of the Government revenue only, whose incomes rise or fall with the rise or fall of the Government demand, and should that demand be inadequate, they must necessarily be dissatisfied. It is this class, living on fixed incomes, and not the peasant proprietor, who enjoys all the profits of his own industry during the term of settlement, which must cause anxiety to the Government; and, in His Honor's opinion, there is more political danger to be apprehended from an influential aristocracy, impoverished by our inadequate assessment, than from the casual murmurs of a thriving peasantry at having to pay an equitable demand. The Lieutenant-Governor was himself a witness of the diminution of the incomes of the former class owing to the enormous fall of prices subsequent to annexation, and he knows that they will consider themselves unjustly treated if they are denied the benefit of the increased value of produce.

13. Lastly, I am desired to represent, for the careful consideration of His Excellency in Council, the evil consequences that must result should he reverse, in 1873, the orders deliberately passed by this Government and approved of by the Government of India in 1872. Such a decision cannot but operate as a pointed recognition of an unduly low standard of assessment in some of the most fertile and prosperous districts of the Province, and will assuredly affect seriously the assessment arrangements being made or to be made in other districts of the Punjab, so that the loss in revenue alone will prove in the end enormous. But, disastrous as the measure will be in a financial point of view, it will perhaps be even more so in the effect which it must have of destroying public confidence in the finality of decisions of the local Government in questions relating to the settlement of the land revenue, and, it may be added, in the assurances of the Government of India. It was but in 1872 that the Government of India enjoined "that no such abandonment of legitimate revenue should be permitted in future settlements." If in the space of a single year the policy of the Government so oscillates that orders emphatically approved of in 1872 are reversed in 1873, the circumstance cannot fail to be a source of grave embarrassment to the local Government, to seriously unsettle the minds of the people, and encourage the growth of an opposition which would otherwise have had no existence.

14. But while the Lieutenant-Governor must earnestly protest against any material revision of the orders of 1872 in the manner apparently contemplated

in your letter under reply, he is quite willing to make concessions in minor points. Thus he is prepared, though his opinion as to the propriety of his original orders is unchanged, at once to re-consider so much of the orders as direct the immediate levy in the districts of Gujránwála and Gujrát of the proposed progressive jamás at full rates. He is also prepared on a revision of settlement in these districts to dispense, so far as possible, with new measurements and revision of the record-of-rights. Looking at the inconvenience resulting from Government pledges given long beforehand, His Honor is unwilling to pledge the Government to this effect, but the intention will be recorded, and the concession, if made, can be made appropriately and with greater effect by the revising officer at the commencement of operations.

No. 904, dated Simla, 17th October 1873.

From—A. O. Hume, Esq., C.B., Secy. to Govt. of India, Dept. of Agriculture, Revenue and Commerce,
To—The Secretary to Government, Punjab.

I am directed to acknowledge the receipt of your letter No. 305 C., dated the 16th ultimo, with enclosures, regarding the late settlement of the land revenue in the districts of Amritsar, Siálkot, Lahore, Gurdáspur, Gujránwála and Gujrát, and in reply to say, with reference to paragraph 14, that the Government of India consider it desirable to adopt the suggestion of His Honor the Lieutenant-Governor that the orders of the 25th September 1872 should be reconsidered in so far as they authorized the immediate levy of the higher rates in the districts of Gujránwála and Gujrát.

2. I am accordingly to request that the alteration may be carried into effect in such manner as His Honor may consider most expedient, the rate being reduced to that originally fixed for the first ten years. His Excellency in Council will be glad to learn how this has been carried into effect.

3. With regard to the other part of your letter, I am to state that a further communication will be addressed to you shortly.

(*Confidential*).

No. 1637, dated 7th November 1873.

From—T. H. Thornton, Esq., Secretary to Government, Punjab and its Dependencies,
To—Secretary to Financial Commissioner, Punjab.

With reference to the confidential correspondence on the subject of the assessments of districts of the Amritsar Division and those of Lahore, Gujránwála and Gujrát, ending with my docket No. 1405 A., dated 19th September, I have the honor to forward herewith copy of letters No. 904, dated 17th October, and No. 944, dated 29th idem, from the Government of India, in the Agricultural Department.

2. I am to request that, in accordance with the directions of the Government of India, you will take measures for reducing the rate of assessment in the districts of Gujrát, and Gujránwála to the amounts originally proposed by the Settlement Officers for the period of ten years.

3. I am further to resquest that you will cause it to be intimated to the malguzars of the six districts that, as it has been discovered that the Settlement Commissioner has been authorized to announce, and did announce, that the settlement was to be made for twenty years, it is deemed right, notwithstanding the lightness of the assessment, to sanction the present assessment for that term, and that consequently the revised darkhasts, whereby the malguzars engaged to accept the settlement for ten years only, are cancelled, and the original darkhasts whereby the assessment is accepted for twenty years are again to be deemed to be in force

4. His Honor presumes that it will not be necessary under the circumstances to cause fresh agreements to be entered into.

No. 944, Simla, dated 29th October 1873.

From—A. O. Hume, Esq., C.B., Secretary to Government of India,
To—The Secretary to Government, Punjab.

To the Government of the Punjab, No. 303, dated the 10th April 1873.
From ditto, No. 595, dated the 2nd May 1873,
To ditto, „ 421, „ the 26th „ „
From ditto, „ 1386 A—395 C., dated the 16th September 1873.
To ditto, „ 904, dated the 17th October 1873.

I am now desired to submit, for the information of His Honor the Lieutenant-Governor, the conclusions at which His Excellency the Governor-General in Council has arrived in regard to the matters discussed in the confidential correspondence marginally noted, which originated in a passage of a minute recorded by His Excellency the Commander-in-Chief.

2. Your letter No. 1386 A– 305 C. of the 16th September, having reference to the reduction of the term of the settlement of the Amritsar, Siálkot, Lahore, Gurdáspur, Gujrát, and Gujránwála Districts, from twenty to ten years, discloses a material fact which was unknown to His Honor when he originally passed orders on this subject, and which was equally unknown to the Government of India and the Secretary of State, when they successively expressed concurrence in His Honor's orders.

3. It appears that Mr. Prinsep, before giving out his assessments, solicited instructions from the Government of the Punjab as to the term for which the settlement was to be made, and that in reply, he received definite official authority to make a settlement for a term of twenty years. This determination of the term of the settlement was, it is understood, given out by Mr. Prinsep and his officers, in every case, at the same time as the assessments were announced so that while the people, as His Honor correctly argues, were aware that the amount of the assessment was liable to modification until confirmed by Government, they had every reason to suppose that the *term* of the settlement would not be altered.

4. It is much to be regretted that this important circumstance should have remained unknown to His Honor and the Government of India until the present time, but now that it is known, His Excellency the Governor-General in Council believes that His Honor will, on reconsideration, agree with him that the former orders shortening the term of the settlement were, in face of the prior orders fixing it for a period of not less than twenty years, such as to give the people reasonable grounds for dissatisfaction.

5. In His Excellency's opinion a mistake of this nature should be rectifide as soon as it is discovered. His Excellency would much regret that there should be any appearance of a difference of opinion between the Governments of India and the Punjab, and I am accordingly to request that the Lieutenant-Governor will take action in the matter, and issue instructions to the Settlement Commissioner, which might be to the effect that His Honor had, subsequent to the passing of his previous orders, ascertained that the term of the settlement had been already fixed at not less than twenty yeras by the government of Sir Donald McLeod, and, that therefore, in supersession of former orders, the settlement would continue for the full term of twenty years originally conceded. The time and manner of making the communication to those concerned are, however, left to His Honor's judgment.

6. Orders in regard to the Hazára Settlement are separately communicated in my No. 942 of this day's date.

No. 724, dated Lahore, 24th April 1874.

From—T. H. Thornton, Esq., Secretary to Government, Punjab,
To—The Secretary to Government of India, Dept. of Revenue, Agriculture and Commerce.

No. 1368, dated 24th December 1873, from Secretary to the Financial Commissioner.
No. 15, dated 2nd January, from Punjab Government in reply.
Letters Nos. 118, 119, 120, dated 6th January, from Secretary to Financial Commissioner, to the Commissioners of Lahore, Amritsar, and Ráwalpindi.

With reference to paragraph 1 of your letter No. 210, dated 13th March I am desired to forward copies of the papers marginally noted, regarding the revision of the rates of assessment in the Gujrát District and the districts of the Lahore and Amritsar Divisions.

No. 1368, dated Lahore, 24th December 1873.

From—J. A. E. MILLER, Esq., Secretary to Financial Commissioner, Punjab,

To—The Secretary to Government, Punjab.

WITH reference to your confidential letter No. 1637, dated 7th November 1873, I am directed to forward, for approval of His Honor the Lieutenant-Governor, the drafts of letters to the Commissioners, Amritsar, Lahore, and Ráwalpindi, which the Financial Commissioner proposes to issue in order to carry out the instructions of Government regarding the settlements of the six districts—Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát.

2. As the correspondence has hitherto been confidential, the Financial Commissioner does not deem it necessary to issue with these letters a copy of Government of India confidential letter No. 944 of 29th October, but as the letters now to be issued are not confidential, their approval by Government is desirable.

3. Mr. Egerton desires to take upon himself the blame attaching to the revision of orders that has been rendered necessary in this matter; for, though such blame is not imputed to him in the correspondence, and though his view and that of His Honor the Lieutenant-Governor, as to the intention and effect of that letter, is not the one which has been adopted by the Government of India, he cannot help feeling that if Colonel Lake's letter No. 3128, dated 27th July 1865, had been sent up by him to Government last year, when reviewing the results of these settlements, all this difficulty would not have occurred.

I may mention, however, that, after the issue of the letter in question, no further reference appears to have been made to it in any subsequent correspondence in this office, and after so long a lapse of time it was only from the mention of the letter in a vernacular settlement darkhast that had been obtained for inspection in 1872, and on special enquiry being made, that the letter was discovered. No clue to it could be obtained from your office, as it was issued by Colonel Lake on verbal orders of the Lieutenant-Governor (Sir Donald McLeod).

4. The Financial Commissioner observes that the letter in question, which is made the basis of the present orders, alludes to the Amritsar Division only, and not to the Lahore, Gujránwála and Gujrát Districts. There is nothing on record in this office to show on what authority the assessments of these three districts were announced by the Settlement officers for 20 years. The Financial Commissioner, however, does not consider it necessary to do more than mention this fact in forwarding these draft letters for approval.

No. 15, dated 2nd January 1874.

From—T. H. THORNTON, Esq., Secretary to Government, Punjab,

To—The Secretary to Financial Commissioner, Punjab.

I HAVE the honor to acknowledge the receipt of your letter No. 1368, dated 24th December 1873, forwarding (for approval) the drafts of letters to the Commissioners, Amritsar, Lahore and Ráwalpindi, which the Financial Commissioner proposes to issue in order to carry out the instructions of Government regarding the settlements of the six districts of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát.

2. In reply, I have the honor to return the draft letters with emendtions and alterations made in pencil and to sanction the issue of these letters as amended.

3. I am desired to state that, while it is to be regretted that the letter of Colonel Lake, referred to in para. 3, was not brought to the notice of Government at the time Mr. Egerton's review of the settlement operations was submitted, the omission is not surprising, seeing that the letter in question was not referred to in subsequent correspondence, and appears to have been forgotten by Mr. Prinsep himself.

No. 387, dated 10th April 1874.

From—W. M. Young, Esq., Offg. Secretary to Financial Commissioner, Punjab,
To—The Secretary to Government Punjab.

In reply to his No. 517, dated 21st ultimo, forwards, as requested, copies of this office letters noted in the margin, regarding the settlement of the six districts of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát.

No. 118, dated 6th January 1874, to Commissioner, Lahore.
No. 119, dated 6th January 1874, to Commissioner, Amritsar.
No. 120, dated 6th January 1874, to Commissioner, Ráwalpindi.

No. 118, dated 6th January 1874.

From—J. A. E. Miller, Esq., Secretary to Financial Commissioner, Punjab,
To—The Offg. Commissioner and Superintendent, Lahore Division.

With reference to this office letters marginally noted, communicating the orders of Government on the land revenue assessments of the Lahore and Gujránwála Districts, I am desired to inform you that the Government has been pleased to direct that the progressive jamás of the Gujránwála District, instead of being taken at once, will be taken at the end of ten years, as originally proposed by the Settlement Officer, and that in both districts the term of settlement is to be for twenty years.

No. 3936, dated 30th May 1872.
No. 8402, dated 9th December 1872.

2. With regard to the term of settlement, the Financial Commissioner observes that as the engagement (darkhwásts) of village headmen were revised in accordance with the orders conveyed to you in my No. 8404, dated 9th December 1872, it will not be necessary to call in the village headmen now to have their engagements revised again. It will be sufficient to cancel the entries in the revenue papers declaring the settlement to be for ten years, and to note that it will be for twenty years.

3. Whatever revenue has been collected in Gujránwála on account of the immediate enhancement should be credited in part payment of the next instalment due, and all future collections should be regulated by the Settlement Officer's kistbandi. The same rule is to be observed in regard to jágír villages.

4. If the engagement of lambardárs in the villages assessed with a progressive jama have been altered so as to show that the enhanced jamá is to be taken at once, they should now be revised on this point.

5. In short, under the present orders, the settlement, as proposed by the Settlement Officer, is sanctioned by Government for twenty years both in Lahore and Gujránwála, and care should be taken to see that this is duly understood by the people and duly carried out in collecting the land revenue.

No. 119, dated 6th January 1874.

From—J. A. E. Miller, Esq., Secretary to Financial Commissioner, Punjab,
To—The Commissioner and Superintendent, Amritsar Division.

In supersession of the orders of Government contained in Resolution No. 879, of 24th June 1872, communicated to you with this office letter No. 5145, of 15th July 1872, I am directed to inform you that the Government is pleased to extend the term of settlement of the districts of Amritsar, Siálkot and Gurdáspur from ten to twenty years.

2. Care should be taken to see that the order is duly understood by the people and duly carried out in collecting the land revenue.

3. The engagements (darkhwásts) of the lambardárs need not, however, be formally revised.

No. 120, dated 6th January 1874.

From—J. A. E. Miller, Esq., Secretary to Financial Commissioner, Punjab,
To—The Commissioner and Superintendent, Ráwalpindi Division.

In supersession of the orders contained in my letter No. 8403, dated 9th December 1872, I am directed to inform you that the Government has been pleased to direct that the progressive jamás of the Gujrát District, instead of being at once taken, will be taken at the end of ten years, as originally proposed by the Settlement Officer, and that the term of the settlement will be for twenty years, and not for ten only, as previously ordered.

2. With regard to the term of settlement, the Financial Commissioner observes that as the engagements (darkhwásts) of village headmen were revised in accordance with the orders conveyed to you in my No. 8404, dated 9th December 1872, it will not be necessary to call in the village headmen now to have their engagements revised again. It will be sufficient to cancel the entries in the revenue papers declaring the settlement to be for ten years, and to note that it will be for twenty years.

3. Whatever revenue has been collected in Gujrát on account of the immediate enhancement should be credited in part payment of the next instalment due, and all future collections should be regulated by the Settlement Officer's kistbandi.

The same rule is to be observed in regard to jágír villages.

4. If the engagements of lambardárs in the villages assessed with a progressive jama have been altered so as to show that the enhanced jamá is to be taken at once, they should now be revised on this point.

5. In short, under the present orders, the settlement, as proposed by the Settlement Officer, is sanctioned by Government for twenty years in Gujrát, and care should be taken to see that this is duly understood by the people and duly carried out in collecting the land revenue.

Copy of a letter No. 41, India Office, London, dated 30th July 1874.

From—The Secretary of State for India,

To—His Excellency the Right Hon'ble the Governer-General of India in Council.

Revenue.

The despatch of Your Excellency in Council, dated 22nd of May, No. 13 of 1874, relative to Mr. Prinsep's settlements in the Punjab, has been considered by me in Council.

2. I approve of the instructions issued by Your Lordship in Council in relation to the settlement of Hazára, and desire to be furnished with the result of the further investigations which have been ordered.

3. With respect to the arrangements which have been sanctioned regarding the settlement of the six districts of Amritsar, Siálkot, Gurdáspur, Lahore, Gujránwála and Gujrát, I am of opinion that they are the best which, under all the circumstances, could be concluded, and I therefore accord to them my approval.

No. 774, dated Calcutta, 8th September 1874.

From—The Deputy Secretary to the Government of India,

To—The Secretary to Government, Punjab.

Copy forwarded to the Government of the Punjab, with reference to the correspondence ending with the letter from this Department No 363, dated the 7th May 1874.

No. 1571, dated Murree, 18th September 1874.

From—The Officiating Under-Secretary to Government, Punjab,

To—The Officiating Secretary to Financial Commissioner, Punjab.

Copy forwarded to W. M. Young, Esquire, Officiating Secretary to Financial Commissioner, Punjab, for information, in continuation of No. 854, dated 21st May 1874.

NEW SERIES—NO. 13.

SELECTIONS FROM THE RECORDS

OF THE OFFICE OF THE

FINANCIAL COMMISSIONER, PUNJAB

Published by Authority.

No. 39.

CONTENTS.

MR. E PRINSEP'S SETTLEMENTS, 1863-1870.

Lahore:

THE "CIVIL AND MILITARY GAZETTE" PRESS.

Contractors to the Punjab Government.

1889.